

trade in textile articles; to the Committee on Ways and Means.

By Mr. ASPINALL (by request):

H.R. 15002. A bill to authorize appropriations for the saline water conversion program, to expand the program, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. BURKE of Massachusetts:

H.R. 15003. A bill to amend item 802.30, Tariff Schedules of the United States, so as to prevent payment of multiple customs duties by U.S. owners of race horses purchased outside of the United States; to the Committee on Ways and Means.

By Mr. HEBERT:

H.R. 15004. A bill to further amend the Federal Civil Defense Act of 1950, as amended, to extend the expiration date of certain authorities thereunder, and for other purposes; to the Committee on Armed Services.

By Mr. O'NEAL of Georgia:

H.R. 15005. A bill to include fresh, chilled, or frozen meat of lambs and swine, sausages, prepared or preserved pork, and prepared or preserved beef and veal within the quotas imposed on the importation of certain other meat and meat products, to reduce the percentage applied to certain aggregate quantity estimations used, in part, to determine such quotas from 110 to 100 percent, and for other purposes; to the Committee on Ways and Means.

By Mr. BOW:

H.J. Res. 1030. Joint resolution to provide for the designation of the second week of May of each year as National School Safety Patrol Week; to the Committee on the Judiciary.

By Mr. BYRNE of Pennsylvania:

H.J. Res. 1031. Joint resolution proposing

an amendment to the Constitution of the United States relative to equal rights for men and women; to the Committee on the Judiciary.

By Mr. HAMILTON:

H.J. Res. 1032. Joint resolution to provide for the designation of the second week of May of each year as National School Safety Patrol Week; to the Committee on the Judiciary.

By Mr. WATKINS:

H.J. Res. 1033. Joint resolution proposing an amendment to the Constitution of the United States relative to equal rights for men and women; to the Committee on the Judiciary.

By Mr. WOLFF (for himself, Mr.

ANDERSON of Tennessee, Mr. BEVILL, Mr. BINGHAM, Mr. DELANEY, Mr. DINGELL, Mr. GIBBONS, Mr. HECHLER of West Virginia, Mr. HELSTOSKI, Mr. HORTON, Mr. HUNGATE, Mr. MONTGOMERY, Mr. MORTON, Mr. OLSEN, Mr. OTTINGER, Mr. PUCINSKI, Mr. RANDALL, Mr. RESNICK, Mr. SISK, Mr. SNYDER, Mr. STEIGER of Arizona, Mr. TEAGUE of California, Mr. WALDIE, Mr. WILLIS, and Mr. CHARLES H. WILSON):

H. Con. Res. 622. Concurrent resolution to require France to pay its World War I debt; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 or rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ADDABBO:

H.R. 15006. A bill for the relief of Pietra LoDico Calabrese; to the Committee on the Judiciary.

H.R. 15007. A bill for the relief of Giuseppe Ventura; to the Committee on the Judiciary.

By Mr. BELL:

H.R. 15008. A bill for the relief of Sang In Lee; to the Committee on the Judiciary.

By Mr. FINO:

H.R. 15009. A bill for the relief of Salvatore Di Marco and wife Maria Di Marco; to the Committee on the Judiciary.

H.R. 15010. A bill for the relief of Sabato Longobardi; to the Committee on the Judiciary.

H.R. 15011. A bill for the relief of Tommaso Romanini; to the Committee on the Judiciary.

By Mr. HANNA:

H.R. 15012. A bill for the relief of Vincent Rohaly; to the Committee on the Judiciary.

By Mr. MESKILL:

H.R. 15013. A bill for the relief of Robert and Alice Martin; to the Committee on the Judiciary.

By Mr. O'NEILL of Massachusetts:

H.R. 15014. A bill for the relief of Goon Mee Heung; to the Committee on the Judiciary.

By Mr. RYAN:

H.R. 15015. A bill for the relief of Marie Claudy; to the Committee on the Judiciary.

By Mr. SCHEUER:

H.R. 15016. A bill for the relief of Freddy Albertus Zwaagstra; to the Committee on the Judiciary.

By Mr. TEAGUE of California:

H.R. 15017. A bill for the relief of William N. Hilton; to the Committee on the Judiciary.

By Mr. FEIGHAN:

H.J. Res. 1034. Joint resolution granting the status of permanent residence to certain aliens; to the Committee on the Judiciary.

SENATE—Wednesday, January 31, 1968

The Senate met at 12 o'clock meridian, and was called to order by Hon. THOMAS J. MCINTYRE, a Senator from the State of New Hampshire.

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

God of grace and God of glory, trusting only in Thy mercy would we seek Thy face. Grant us the grace to keep our hearts with diligence, knowing that out of them are the issues of life.

May we know that the wisdom of the ages is in the Book that reveals Thy heart:

He that ruleth his spirit is better than he that taketh a city.

In these days of tension and crisis, as we gird the might of the Nation, and that of our allies, to defend threatened liberties, may we take care to strengthen the spiritual foundations of our democracy, knowing that without these verities we but build on sinking sand.

In a clamorous day, filled with accents of hatred, give us ears to hear the voices that speak of justice and world understanding, with a buoyant hope that sends a shining ray far down the future's broadening way.

We ask it in the dear Redeemer's name. Amen.

DESIGNATION OF ACTING PRESIDENT PRO TEMPORE

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., January 31, 1968.

To the Senate:

Being temporarily absent from the Senate, I appoint Hon. THOMAS J. MCINTYRE, a Senator from the State of New Hampshire, to perform the duties of the Chair during my absence.

CARL HAYDEN,
President pro tempore.

Mr. MCINTYRE thereupon took the chair as Acting President pro tempore.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Tuesday, January 30, 1968, be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Jones, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session,
The ACTING PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations, which

were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

LIMITATION ON STATEMENTS DURING TRANSACTION OF ROUTINE MORNING BUSINESS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that statements in relation to the transaction of routine morning business be limited to 3 minutes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ATTENDANCE OF A SENATOR

Hon. WARREN G. MAGNUSON, a Senator from the State of Washington, attended the session of the Senate today.

ORDER FOR RECOGNITION OF SENATOR JAVITS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that after the distinguished Senator from Delaware [Mr. WILLIAMS] completes his speech, under the time allotted to him by the order of yesterday, the distinguished Senator from New York [Mr. JAVITS] be recognized for 20 minutes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

VETERANS BENEFITS

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD a number of telegrams I have received from the chiefs of various veterans organizations, in full support of the proposals made by the President on yesterday in his message to Congress.

There being no objection, the telegrams were ordered to be printed in the RECORD, as follows:

WASHINGTON, D.C.,
January 30, 1968.

Senator MIKE MANSFIELD,
U.S. Senate,
Washington, D.C.:

We have sent the following telegram to President Lyndon B. Johnson: "The disabled American Veterans express their deepest gratitude for the proposals that you have made in your recent message to Congress on veterans' benefits. Together with the proposals you made last year and most of which are now law, these new proposals will help fulfill the desires of our membership fought for over many years; the recommendations benefiting disabled veterans have our complete support and we shall urge the Congress to enact them immediately. Please accept the thanks of the Disabled American Veterans."

FRANCIS J. BEATON,
National Commander, Disabled American Veterans.

WASHINGTON, D.C.,
January 30, 1968.

Senator MIKE MANSFIELD,
U.S. Senate,
Washington, D.C.:

Today I have sent the following telegram to the President:

"The members of the Paralyzed Veterans of America and countless other veterans and servicemen graciously thank you for your splendid veterans message to Congress. You indeed cogently and persuasively set forth the needs of this vitally important segment of our population. We are urging the Congress to supply the servicemen and veterans what you ask for and pledge the full support of our organization to help your enlightened programs become a reality. We especially commend the opening of ten U.S. veterans assistance centers. Your interest in our servicemen and veterans and their problems is indeed reassuring. Our organization sincerely requests your assistance in helping the programs outlined in this message to become a vital part of our veterans legislation."

LESLIE P. BURGHOFF, Jr.,
President, Paralyzed Veterans of America.

WASHINGTON, D.C.,
January 31, 1968.

Senator MIKE MANSFIELD,
Senate Office Building,
Washington, D.C.:

Following message sent to the President of the United States:

"Your message to the Congress today re-emphasized your deep concern for and championship of the returning veterans in the difficult situation and individual problems each faces in making a transition from military service to the equally important status of productive private citizen contribute equally to the Nation's economy, productivity, and social strength. You may be assured that I shall urge Congress to support the necessary legislation to effectuate your outstanding program for our veterans."

A. LEO ANDERSON,
Director, Department of Veterans' Affairs,
District of Columbia.

BALTIMORE, Md.,
January 31, 1968.

Senator MIKE MANSFIELD,
Senate Office Building,
Washington, D.C.:

For your information the following wire was sent to the President today endorsing his message on veterans benefits:

"I urge the prompt support of the Congress on these recommendations. It was my honor to hear your message to Congress today outlining your proposals designed to insure the secure future of our returning veterans. The deep insight and inclusive understanding of the problems facing these veterans is a concrete example of your profound humanitarian spirit. Veterans and their families throughout this land applaud your courage, your wisdom, and your heart. As National Commander of the Jewish War Veterans of the U.S.A., I salute you in humble gratitude."

SAMUEL SAMUELS,
National Commander, Jewish War Veterans of U.S.A.

WASHINGTON, D.C.,
January 30, 1968.

Hon. MIKE MANSFIELD,
Minority Leader, U.S. Senate,
Washington, D.C.:

I have sent the following telegram to the President of the United States:

"No one concerned for veterans and their families and dependents can read your latest message on veterans to the Congress without feelings of deepest pride and satisfaction. This is truly the era of the veteran and the package of benefits which the gratitude of the Nation provides cannot and must not ever be inadequate. It is clear that if your recommendations become reality it will not be. We want you to know we shall work for the fullest development of the potential you have so eloquently and convincingly placed before the Congress. Congratulations."

It is urged that you lend your support to the early passage of this much needed legislation. Thank you.

LUTHER SKAAGS, Jr.,
National Commander, Military Order of the Purple Heart of the United States of America Inc.

WASHINGTON, D.C.,
January 30, 1968.

Hon. MICHAEL MANSFIELD,
Majority Leader, U.S. Senate,
Washington, D.C.:

As the national commander of the veterans of World War I representing 250,000 members plus 100,000 in our auxiliary, we urgently ask you to support the President in his advocating the continuance of the expanded program for the younger veterans that will be coming out of the service as reported in his message to Congress today. As World War I veterans we did not have these opportunities but we are certainly happy that the veterans coming out of the service will at least have an equal opportunity with men who have not been called into service.

PHILIP F. O'BRIEN,
National Commander, Veterans of World War I of the U.S.A.

WASHINGTON, D.C.,
January 30, 1968.

Senator MIKE MANSFIELD,
Senate Majority Leader, U.S. Senate,
Washington, D.C.:

I have this date sent the following telegram to President Johnson: "The members of our national executive offices staff have just been briefed on your message to the U.S. Congress dealing with veterans' affairs by Mr. Driver. As the spokesman for more than 67,000 career sailors and marines I wish to express their wholehearted approval of

your proposals to not only aid the veteran but to encourage him to continue to serve his Nation in his civilian pursuit and assure all Americans of a brighter and more prosperous future."

On behalf of the veterans and citizens of America I urge prompt and favorable action on the proposals of his veterans message of January 30, 1968.

BERNARD P. O'HARE,
National President, Fleet Reserve Association.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the following committee and subcommittees be authorized to meet during the session of the Senate today:

The Subcommittee on Agricultural Production, Marketing, and Stabilization of the Committee on Agriculture and Forestry; the Subcommittee on Antitrust and Monopoly of the Committee on the Judiciary; the Committee on Rules and Administration; the Subcommittee on Patents, Trademarks, and Copyrights of the Committee on the Judiciary; and the Permanent Subcommittee on Investigations of the Committee on Government Operations.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that the Subcommittee on Foreign Aid Expenditures of the Committee on Government Operations and the Subcommittee on Business and Commerce of the Committee on the District of Columbia be permitted to meet during the session of the Senate today.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. Is there further morning business?

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

PROTOCOL WITH THE UNITED MEXICAN STATES, RELATING TO RADIO BROADCASTING—REMOVAL OF INJUNCTION OF SECRECY

Mr. BYRD of West Virginia. Mr. President, as in executive session, I ask unanimous consent that the injunction of secrecy be removed from Executive B, 90th Congress, second session, the protocol signed at Mexico City December 21, 1967, further modifying the 1957 radio broadcasting agreement with Mexico, transmitted to the Senate today by the President of the United States, and that the protocol, together with the President's message, be referred to the Committee on Foreign Relations and ordered

to be printed, and that the President's message be printed in the RECORD.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The message from the President is as follows:

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith the protocol between the United States of America and the United Mexican States, signed at Mexico City on December 21, 1967, further modifying the agreement concerning radio broadcasting in the standard broadcast band signed at Mexico City on January 29, 1957, as amended.

I transmit also, for the information of the Senate, the report of the Secretary of State with respect to the protocol.

The 1957 agreement with Mexico expired in 1966, but was revived and prolonged in effect until December 31, 1967, by a protocol of April 13, 1966. Discussions between United States and Mexican officials with a view to concluding a new agreement on this subject are continuing. It is hoped that it will be possible to conclude such a new agreement during 1968. Meanwhile, it is important that the 1957 agreement continue in effect pending the negotiation of a new agreement. This is particularly important because Mexico is not a party to the North American Regional Broadcasting Agreement (NARBA) of November 15, 1950. The earlier NARBA of 1937, to which Mexico was a party, expired in 1949.

The protocol transmitted herewith contains a single substantive article whereby the duration provision of the 1957 agreement would be further modified so that the agreement will remain effective until December 31, 1968, unless, before that date, it is terminated by a notice of denunciation by either party pursuant to the terms of the agreement or is replaced by a new agreement.

I recommend that the Senate give early and favorable consideration to the protocol further modifying the 1957 agreement with Mexico.

LYNDON B. JOHNSON.

THE WHITE HOUSE, January 31, 1968.

Enclosures:

1. Report of the Secretary of State.
2. Protocol signed at Mexico City December 21, 1967, further modifying the 1957 radio broadcasting agreement with Mexico.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Bartlett, one of its reading clerks, informed the Senate that, pursuant to the provisions of section 1, Public Law 86-42, the Speaker had appointed Mr. GALLAGHER, Chairman, Mrs. KELLY, Mr. MURPHY of Illinois, Mr. JOHNSON of California, Mr. ST GERMAIN, Mr. PIKE, Mr. KEE, Mr. ANDREWS of North Dakota, Mr. STAFFORD, Mr. THOMSON of Wisconsin, Mr. DUNCAN, and Mr. BROOMFIELD as members of the U.S. delegation of the Canada-United States Interparliamentary Group, on the part of the House.

The message also informed the Senate that, pursuant to the provisions of section 1, Public Law 86-420, the Speaker had appointed Mr. NIX, Chairman, Mr. WRIGHT, Mr. JOHNSON of California, Mr. GONZALEZ, Mr. DE LA GARZA, Mr. SELDEN, Mr. FRASER, Mr. SPRINGER, Mr. MORSE of Massachusetts, Mr. HARVEY, Mr. WHALLEY, and Mr. DOLE as members of the U.S. delegation of the Mexico-United States Interparliamentary Group, on the part of the House.

The message further informed the Senate that, pursuant to the provisions of section 1, Public Law 689, 84th Congress, as amended, the Speaker had appointed Mr. HAYS, Chairman, Mr. RODINO, Mr. RIVERS, Mr. CLARK, Mr. BROOKS, Mr. ARENDS, Mr. CHAMBERLAIN, Mr. BATES, and Mr. FINDLEY as members of the U.S. group of the North Atlantic Assembly, on the part of the House.

EXECUTIVE COMMUNICATIONS, ETC.

The ACTING PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

REPORT ON ADVISORY COMMISSION ON INTER-GOVERNMENTAL RELATIONS

A letter from the Chairman, Advisory Commission on Intergovernmental Relations, Washington, D.C., transmitting, pursuant to law, a report of that Commission, dated January 31, 1968 (with an accompanying report); to the Committee on Government Operations.

REPORT OF COMPTROLLER GENERAL

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on savings available to the Army by tightening controls over its tractor-trailer fleet in Europe, Department of the Army, dated January 30, 1968 (with an accompanying report); to the Committee on Government Operations.

REPORT ON POSITIONS IN GRADES GS-16, GS-17, AND GS-18

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on positions in grades GS-16, GS-17, and GS-18 (with an accompanying report); to the Committee on Government Operations.

REPORT OF MILITARY ORDER OF THE PURPLE HEART OF THE U.S.A., INC.

A letter from the Adjutant General, Military Order of the Purple Heart of the U.S.A., Inc., Daytona Beach, Fla., transmitting, pursuant to law, a report of that Order, for the fiscal year ended July 31, 1967 (with an accompanying report); to the Committee on the Judiciary.

VETERANS IN PUBLIC SERVICE ACT OF 1968

A letter from the Administrator of Veterans Affairs, Veterans' Administration, Washington, D.C., transmitting a draft of proposed legislation to provide special encouragement to veterans to pursue a public service career in deprived areas (with accompanying papers); to the Committee on Labor and Public Welfare.

VOCATIONAL REHABILITATION TRAINING FOR CERTAIN VETERANS

A letter from the Administrator of Veterans Affairs, Veterans' Administration, Washington, D.C., transmitting a draft of proposed legislation to amend title 38 of the United States Code to improve vocational rehabilitation training for service-connected veterans by authorizing pursuit of such training on a part-time basis (with accom-

panying papers); to the Committee on Labor and Public Welfare.

REPORT OF OZARKS REGIONAL COMMISSION

A letter from the Federal Cochairman and State Cochairman, The Ozarks Regional Commission, Washington, D.C., transmitting, pursuant to law, a report of that Commission, from September 7, 1966, to December 31, 1967 (with an accompanying report); to the Committee on Public Works.

REPORT OF ATOMIC ENERGY COMMISSION

A letter from the Chairman and members, U.S. Atomic Energy Commission, Washington, D.C., transmitting, pursuant to law, a report of that Commission, for the year 1967 (with an accompanying report); to the Joint Committee on Atomic Energy.

PETITION

The ACTING PRESIDENT pro tempore laid before the Senate a resolution adopted by the Demosthenian Literary Society, University of Georgia, Athens, Ga., condemning the seizure of the U.S.S. *Pueblo* by the Government of North Korea, which was referred to the Committee on Foreign Relations.

REPORT ENTITLED "AERONAUTICAL RESEARCH AND DEVELOPMENT POLICY" (S. REPT. NO. 957)

Mr. ANDERSON. Mr. President, on behalf of the Committee on Aeronautical and Space Sciences, I submit a report entitled "Aeronautical Research and Development Policy," and ask unanimous consent that the report be printed, together with an illustration.

The ACTING PRESIDENT pro tempore. Without objection, the report will be received and printed, as requested by the Senator from New Mexico.

REPORT ENTITLED "INVESTIGATION INTO SMALL BUSINESS INVESTMENT COMPANIES"—REPORT OF A COMMITTEE (S. REPT. NO. 958)

Mr. McCLELLAN, from the Committee on Government Operations, submitted a report entitled "Investigation Into Small Business Investment Companies," which was ordered to be printed.

EXECUTIVE REPORTS OF A COMMITTEE

As in executive session,
The following favorable report of a nomination was submitted:

By Mr. MAGNUSON, from the Committee on Commerce:

William H. Chartener, of New York, to be an Assistant Secretary of Commerce.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. MUNDT:

S. 2891. A bill to extend for a period of 3 years the authority of the President to enter into agreements to finance sales under title I of the Agricultural Trade Development and Assistance Act of 1954, as amended, and to

carry out programs of assistance under title II of such act; to the Committee on Agriculture and Forestry.

(See the remarks of Mr. MUNDT when he introduced the above bill, which appear under a separate heading.)

By Mr. HARRIS (for himself, Mr. KENNEDY of New York, Mr. BROOKE, Mr. CASE, Mr. CLARK, Mr. GRUENING, Mr. HART, Mr. INOUE, Mr. JAVITS, Mr. KENNEDY of Massachusetts, Mr. LONG of Missouri, Mr. MCCARTHY, Mr. MCGEE, Mr. MCINTYRE, Mr. MONDALE, Mr. MORSE, Mr. MUSKIE, Mr. NELSON, Mr. PELL, Mr. PROUTY, Mr. PROXMIER, Mr. RIBICOFF, Mr. TYDINGS, Mr. WILLIAMS of New Jersey, Mr. YARBOROUGH, and Mr. YOUNG of Ohio):

S. 2892. A bill to amend the Social Security Act so as to revise certain provisions thereof relating to public assistance which were enacted or amended by the Social Security Amendments of 1967; to the Committee on Finance.

(See the remarks of Mr. HARRIS when he introduced the above bill, which appear under a separate heading.)

By Mr. KENNEDY of New York (for himself, Mr. HARRIS, Mr. BROOKE, Mr. CASE, Mr. CLARK, Mr. GRUENING, Mr. HART, Mr. INOUE, Mr. JAVITS, Mr. KENNEDY of Massachusetts, Mr. MCCARTHY, Mr. MCGEE, Mr. MCINTYRE, Mr. MONDALE, Mr. MORSE, Mr. MUSKIE, Mr. NELSON, Mr. PELL, Mr. PROUTY, Mr. PROXMIER, Mr. RIBICOFF, Mr. TYDINGS, Mr. WILLIAMS of New Jersey, Mr. YARBOROUGH, and Mr. YOUNG of Ohio):

S. 2893. A bill to amend title IV of the Social Security Act to improve the program of aid to families with dependent children, and for other purposes; to the Committee on Finance.

(See the remarks of Mr. KENNEDY of New York when he introduced the above bill, which appear under a separate heading.)

By Mr. HATFIELD:

S. 2894. A bill to amend title 10, United States Code, in order to provide that time on active duty in a temporary grade may be counted in determining time-in-grade requirements necessary for promotion to the next higher permanent grade; to the Committee on Armed Services.

By Mr. SMATHERS:

S. 2895. A bill for the relief of Dr. Orestes Fernandez; to the Committee on the Judiciary.

By Mr. COTTON:

S. 2896. A bill for the relief of the estate of Capt. John N. Laycock, U.S. Navy (retired); to the Committee on the Judiciary.

By Mr. MAGNUSON:

S. 2897. A bill for the relief of James T. O'Brien; to the Committee on the Judiciary.

By Mr. MONDALE:

S. 2898. A bill for the relief of Deborah Anne Taylor; to the Committee on the Judiciary.

By Mr. DOMINICK:

S. 2899. A bill for the relief of Edson K. Hartzell; to the Committee on Finance.

By Mr. BIBLE (by request):

S. 2900. A bill to amend section 13 of the District of Columbia Redevelopment Act of 1945, as amended; and

S. 2901. A bill to amend the act for the retirement of public school teachers in the District of Columbia to change the method of calculating each year's appropriation for the Teachers' Retirement Fund; to the Committee on the District of Columbia.

By Mr. WILLIAMS of Delaware:

S. 2902. A bill to improve the balance of payments and protect the domestic economy of the United States; and

S. 2903. A bill to amend the Internal Revenue Code of 1954 to limit the maximum rate

of percentage depletion to a rate of 20 percent; to the Committee on Finance.

(See the remarks of Mr. WILLIAMS of Delaware when he introduced the above bills, which appear under a separate heading.)

By Mr. SMATHERS:

S. 2904. A bill for the relief of Wook Hea Lee (Joseph Lee); to the Committee on the Judiciary.

By Mr. YARBOROUGH:

S.J. Res. 135. A joint resolution designating the Federal building at HemisFair 1968 as the "Morris Sheppard Pavilion"; to the Committee on Foreign Relations.

(See the remarks of Mr. YARBOROUGH when he introduced the above joint resolution, which appear under a separate heading.)

RESOLUTIONS

TO PRINT AS A SENATE DOCUMENT A REPORT ENTITLED "THE COST OF CLEAN WATER"

Mr. RANDOLPH submitted the following resolution (S. Res. 249); which was referred to the Committee on Rules and Administration:

S. RES. 249

Resolved, That there be printed as a Senate document the report of the Secretary of the Interior, entitled "The Cost of Clean Water", in compliance with the provisions of Section 16(a), of the Federal Water Pollution Control Act, as amended (Public Law 89-234); and that there be printed two thousand five hundred additional copies of such document for the use of the Committee on Public Works.

AUTHORIZATION OF CERTAIN ADDITIONAL STUDIES BY THE COMMITTEE ON PUBLIC WORKS

Mr. RANDOLPH submitted the following resolution (S. Res. 250); which was referred to the Committee on Public Works:

S. RES. 250

Resolved, That in furtherance of the understanding of matters coming within its jurisdiction, the Committee on Public Works is authorized to contract with public and private agencies, institutions, and organizations and with individuals for the purpose of conducting a study or studies relating to the movement of commuter traffic into and out of the Washington, District of Columbia, metropolitan area, to study the relationship between highway facilities and other modes of commuter services in the movement of people from those areas beyond the proposed range of projected mass transit and urban freeway facilities, to the disposal of solid waste originating in the Washington, District of Columbia, metropolitan area by such manner and means as will obviate air and water pollution in the Washington, District of Columbia, metropolitan area, all designed to measure the impact of proposals which will affect various programs authorized by the Committee on Public Works pertaining to flood control, navigation, rivers and harbors, roads and highways, water pollution, air pollution, solid waste disposal, public buildings, and all features of water resource development and economic growth: *Provided*, however, That neither the conduct of this study nor any of its observations, conclusions, findings or recommendations shall in any way reexamine, delay, compete, or interfere with the rapid transit system planned by the Washington Metropolitan Area Transit Authority. The Committee on Public Works will coordinate its activities with the activities of other committees of the Senate having legislative jurisdiction related to the

general subject matter of the study or studies to be undertaken.

Sec. 2. Expenses of the committee, under this resolution, which shall not exceed \$135,000, shall be paid from the contingent fund of the Senate, upon vouchers approved by the chairman of the committee.

REFERENCE OF SENATE BILL 2896 TO THE COURT OF CLAIMS

Mr. COTTON submitted the following resolution (S. Res. 251); which was referred to the Committee on the Judiciary:

S. RES. 251

Resolved, That the bill (S. 2896) entitled "A Bill for the relief of the estate of Captain John N. Laycock, United States Navy (retired)" now pending in the Senate, together with all the accompanying papers, is hereby referred to the chief commissioner of the Court of Claims; and the chief commissioner shall proceed with the same in accordance with the provisions of section 1492 and 2509 of title 28 of the United States Code, as amended by the Act of October 15, 1966 (80 Stat. 958), and report thereon to the Senate, at the earliest practicable date, giving such findings of fact and conclusions thereon as shall be sufficient to inform the Congress of the nature and character of the demand as a claim, legal or equitable, against the United States or a gratuity and the amount, if any, legally or equitably due from the United States to the claimant.

AUTHORIZATION FROM THE COMMITTEE ON COMMERCE TO MAKE CERTAIN STUDIES—REPORT OF A COMMITTEE

Mr. MAGNUSON, from the Committee on Commerce, reported the following original resolution (S. Res. 252); which was referred to the Committee on Rules and Administration:

S. RES. 252

Resolved, That the Committee on Commerce, or any duly authorized subcommittee thereof, is authorized under sections 134(a) and 136 of the Legislative Reorganization Act of 1946, as amended, and in accordance with its jurisdictions specified by rule XXV of the Standing Rules of the Senate, to examine, investigate, and make a complete study of any and all matters pertaining to—

- (1) interstate commerce generally, including consumer protection;
- (2) foreign commerce generally;
- (3) transportation generally;
- (4) maritime matters;
- (5) interoceanic canals;
- (6) domestic surface transportation, including pipelines and highway safety;
- (7) communications, including a complete review of national and international telecommunications and the use of communications satellites;
- (8) Federal power matters;
- (9) civil aeronautics;
- (10) fisheries and wildlife;
- (11) marine sciences; and
- (12) weather services and modification, including the use of weather satellites.

Sec. 2. For the purpose of this resolution the committee, from February 1, 1968, to January 31, 1969, inclusive, is authorized (1) to make such expenditures as it deems advisable; (2) to employ, upon a temporary basis, technical, clerical, and other assistants and consultants: *Provided*, That the minority is authorized to select one person for appointment, and the person so selected shall be appointed and his compensation shall be so fixed that his gross rate shall not be less by more than \$2,300 than the

highest gross rate paid to any other employee; and (3) with the prior consent of the heads of the departments or agencies concerned, and the Committee on Rules and Administration, to utilize the reimbursable services, information, facilities, and personnel of any of the departments or agencies of the Government.

Sec. 3. The committee shall report its findings, together with its recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than January 31, 1969.

Sec. 4. Expenses of the committee, under this resolution, which shall not exceed \$550,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

EXTENSION OF AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954 (PUBLIC LAW 480)

Mr. MUNDT. Mr. President, I introduce, for appropriate reference, a bill which I hope will have the prompt attention of the Senate, the House of Representatives, and the President of the United States.

My bill would continue for another year the Agricultural Trade Development and Assistance Act of 1954, popularly known as Public Law 480, of which I was an original cosponsor when that legislation was first enacted.

I should also like to pay tribute at this point to the Senator from New Mexico [Mr. ANDERSON] who joined with Senator Case, my then colleague from South Dakota, and me in introducing the forerunner to this legislation. I point out that the bill has served our country well and has been of inestimable value in bolstering the agricultural economy of the United States while at the same time assisting developing countries throughout the world to stay or get back on their feet. Consider the fact that between 1954 and 1966 almost \$15 billion worth of U.S. agricultural products were shipped to peoples of food deficient nations under provisions of the act.

Under the provisions of the act, we can realize its significance, not alone to the farm belt but also to the world as a whole.

Consider the fact that in each of the last 5 years, \$1.5 billion worth of agricultural goods moved abroad under the act's provisions each year. That is truly a gigantic boost to the economy of the agricultural areas of our country and to the welfare of deprived peoples in nations around the world.

Extension of this act is highly important, and I think it is vital and urgent. Congress must extend Public Law 480 which expires on December 31, 1968. I hope that we move expeditiously in that direction.

Mr. President, Members of the Senate will recall that on January 25 I commented on a Wall Street Journal article written by Mr. Al A. Shock, one of South Dakota's most successful businessmen, a keen and knowledgeable student of the agriculture situation in general, who went into the matter in considerable detail.

Mr. Shock's article quotes a national farm leader who recently said 1967 was

not a pleasant year for farmers and ranchers:

We are completing the harvest of the largest crop in history, produced at the highest cost on record and sold at the lowest price in a decade. Parity has dropped to 73%, compared with 71% in 1934 in the depths of the depression. The purchasing power of farm products, when adjusted to today's values, is only 40 cents on the dollar, very little more than in the thirties.

Attacking the problem head on, Mr. Shock says that the farmer must obtain a stronger and more direct voice in the operation of the Department of Agriculture:

High positions in the Department should go to men with broad farm experience. Reorganization of the Department seems absolutely necessary.

Mr. President, I am in complete agreement with these sentiments. The officials at the Department of Agriculture seem to have forgotten that their responsibility is to help the farmer. While prices have been plunging, suggestions for alleviating the problem have been few. They apparently have also fallen down on their duty to keep the President informed as to the agricultural situation for, as Members will recall, the American farmer and his problems received short shrift in the President's state of the Union message.

I am sure that they are working feverishly at the Department on all types of special Agriculture messages and recommendations. I am at the same time fearful that once again the farmers of this country will get words without action.

Congress, I hope, will provide the action. One concrete action it can take immediately is to pass legislation to extend Public Law 480.

The original goals of the legislation, provision for additional outlets for U.S. agricultural surpluses, and making the products available to the developing nations on terms they can afford, are still valid.

Some of the major benefits of the legislation have been:

First. Bolstering of prices received by our farmers.

Unhappily, under the present farm policy of the administration, farm parity has fallen to 73 percent. One shudders to think where parity would be today had we not had this disposal program available under Public Law 480.

Originally, the bill was considered as food-for-peace legislation. The administration now prefers to call it the food-for-freedom program. I do not care what it is called, particularly, but I am interested in seeing that the functions of the legislation continue.

Second. Accelerated economic development in various countries has led to increased commercial exports of agricultural and industrial products.

Some countries got their first real sample of American food products and the bounty of the agriculture developed in this country from the Public Law 480 supplies which were made available to them under the act.

Third. Market development activities carried on in connection with Public Law 480 shipments have expanded the

demand for commercial agricultural exports.

Fourth. Government costs for storage and handling of surplus stocks during the years have been lower than they would have been in the absence of the program.

Fifth. Friendly relations with more than 100 countries have been strengthened.

Mr. President, somebody, somewhere in this United States should keep faith with the farmer. I say, enact this legislation as one of the sacred pillars required to build a solid foundation of farm legislation needed to provide the farmer with an opportunity to achieve the parity of income to which he is entitled. This act alone will not do the job but, at least, it will provide one step in the right direction.

The ACTING PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 2891) to extend for a period of 3 years the authority of the President to enter into agreements to finance sales under title I of the Agricultural Trade Development and Assistance Act of 1954, as amended, and to carry out programs of assistance under title II of such act, introduced by Mr. MUNDT, was received, read twice by its title, and referred to the Committee on Agriculture and Forestry.

REVISION OF CERTAIN PROVISIONS OF SOCIAL SECURITY ACT RELATING TO PUBLIC ASSISTANCE

Mr. HARRIS. Mr. President, I introduce, for myself, Mr. KENNEDY of New York, and 24 other cosponsors, making 26 sponsors in all, a bill which would repeal part of the regressive and punitive measures written into the Social Security Act last year. I ask unanimous consent that the bill be printed in the RECORD and appropriately referred.

The ACTING PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

The bill (S. 2892) to amend the Social Security Act so as to revise certain provisions thereof relating to public assistance which were enacted or amended by the Social Security Amendments of 1967, introduced by Mr. HARRIS (for himself and other Senators), was received, read twice by its title, referred to the Committee on Finance, and ordered to be printed in the RECORD, as follows:

S. 2892

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Social Security Amendments of 1968."

SEC. 101. Section 402(a)(8), (A)(ii) of the Social Security Act is amended by (a) striking out "\$30" and inserting in lieu thereof "\$50" and (b) striking out "one-third" and inserting in lieu thereof "one-half".

SEC. 102. (a)(1) Effective July 1, 1969, clauses (1) and (ii) of section 2(a)(10)(A) of the Social Security Act are amended to read as follows: "(1) the State agency shall with respect to any month disregard the first \$50 of the total of the earned income of such individual for such month plus one-

half of the remainder of such income for such month and (ii) the State agency may, before disregarding the amount referred to in clause (i), disregard not more than \$7.50 per month of any income;".

(2) A State whose plan under section 2 of the Social Security Act has been approved by the Secretary shall not be deemed to have failed to comply substantially with the requirements of section 2(a)(10)(A) of such Act (as in effect prior to July 1, 1969) for any period beginning after December 31, 1967, and ending prior to July 1, 1969, if for such period the State agency disregards earned income of the individuals involved in accordance with the requirements specified in clause (i) of section 2(a)(10)(A) of such Act as amended by this section.

(b)(1) Effective July 1, 1969, clauses (A) and (B) of section 1402(a)(8) of such Act are amended to read as follows: "(A) the State agency shall with respect to any month disregard the first \$50 of the total of the earned income of such individual for such month plus one-half of the remainder of such income for such month, (B) the State agency may, before disregarding the amount referred to in clause (A), disregard not more than \$7.50 per month of any income, and".

(2) A State whose plan under section 1402 of the Social Security Act has been approved by the Secretary shall not be deemed to have failed to comply substantially with the requirements of section 1402(a)(8) of such Act (as in effect prior to July 1, 1969) for any period beginning after December 31, 1967, and ending prior to July 1, 1969, if for such period the State agency disregards earned income of the individual involved in accordance with the requirements specified in clause (A) of section 1402(a)(8) of such Act as amended by this section.

(c)(1) Effective July 1, 1969, clause (i) of section 1602(a)(14)(B) of such Act is amended to read as follows: "(i) the State agency shall with respect to any month disregard the first \$50 of the total of the earned income of such individual for such month plus one-half of the remainder of such income for such month, and".

(2) Effective July 1, 1969, subparagraph (C) of section 1602(a)(14) of such Act is amended to read as follows: "if such individual has attained age 65 and is neither blind nor permanently and totally disabled, the State agency shall with respect to any month disregard the first \$50 of the total of the earned income of such individual for such month plus one-half of the remainder of such income for such month, and".

(3) A State whose plan under section 1602 of the Social Security Act has been approved by the Secretary shall not be deemed to have failed to comply substantially with the requirements of section 1602(a)(14) of such Act (as in effect prior to July 1, 1969) for any period beginning after December 31, 1967, and ending prior to July 1, 1969, if for such period the State agency disregards earned income of the individual involved in accordance with the requirements specified in clause (i) of section 1602(a)(14)(B) or subparagraph (C) of section 1602(a)(14) as amended by this section.

(d) Section 202(d) of the Social Security Amendments of 1967 is amended by striking out "part A of Title IV" and inserting in lieu thereof "Title I, X, XIV, XVI, or XIX, or part A of Title IV".

Sec. 103. (a) Section 407(b)(1)(A) of the Social Security Act is amended by adding "and" at the end thereof.

(b) Section 407(b)(1)(B) of such Act is amended by striking out "and" at the end and inserting in lieu thereof "and"; and

(c) Section 407(b)(1)(C) of such Act is repealed.

Sec. 104. Section 407(a)(2)(C) of the Social Security Act is amended by striking out "such child's father" and all that follows and inserting in lieu thereof "such child's

father is not currently registered with the public employment office in the State."

Sec. 105. (a) Subsection (c) of section 407 of the Social Security Act is amended to read as follows:

"(c) Notwithstanding any other provisions of this section—

"(1) a State plan may, at the option of the State, provide for denial of all (or any part) of the aid under the plan with respect to a dependent child as defined in subsection (a) to which any child or relative might otherwise be entitled for any month if the father of such child received unemployment compensation under an unemployment compensation law of a State or of the United States for any week any part of which is included in such month, and

"(2) expenditures pursuant to this section shall be excluded from aid to families with dependent children (A) where such expenditures are made under the plan with respect to any dependent child as defined in subsection (a), (i) for any part of the 30-day period referred to in subparagraph (A) of subsection (b)(1), or (ii) for any period prior to the time when the father satisfies subparagraph (B) of such subsection, and (B) if, and for as long as, no action is taken (after the 30-day period referred to in subparagraph (A) of subsection (b)(2)), under the program therein specified, to refer such father to the Secretary of Labor pursuant to section 402(a)(19)".

(b) Subsection (d) of section 407 of such Act is repealed.

(c) Section 203(b) of the Social Security Amendments of 1967 is repealed.

Sec. 106. Section 402(a) of the Social Security Act is amended by adding at the end before the period the following: "; and (24) effective July 1, 1969, provide for assistance to children in need because of the unemployment of their father as provided in section 407".

Sec. 107. (a) Section 434 of the Social Security Act is amended by striking out "\$30 per month payable in such amounts and at such times as the Secretary prescribes" and inserting in lieu thereof "\$20 per week".

(b) Section 435 of such Act is amended by striking out "80" and inserting in lieu thereof "90".

(c) Section 443 of such Act is amended by striking out "20" each time it appears therein and inserting in lieu thereof "10".

(d) Section 402(a)(19)(C) of such Act is amended by striking out "20" and inserting in lieu thereof "10".

(e) Section 402(a)(19)(A) of such Act is amended by inserting "or" before the semicolon at the end thereof.

Sec. 108. Section 406(e)(1) of the Social Security Act is amended by striking out "30" and inserting in lieu thereof "60".

Sec. 109. (a) Section 403(a) of the Social Security Act is amended by striking out "(subject to subsection (d))" in the matter preceding paragraph (1) thereof.

(b) Section 403(d) of such Act is repealed.

Sec. 110. Effective July 1, 1969—

(a) Section 2(a)(5) of the Social Security Act is amended by—

(1) striking out "necessary" and inserting in lieu thereof "necessary (i)"; and

(2) adding at the end before the comma the following: "and (ii) to assure that eligibility for and the extent of assistance under the plan will be determined in a manner consistent with simplicity of administration and the best interests of the recipients";

(b) Section 402(a)(5) of such Act is amended by—

(1) striking out "necessary" and inserting in lieu thereof "necessary (i)"; and

(2) adding at the end before the comma the following: "and (ii) to assure that eligibility for and the extent of aid under the plan will be determined in a manner consistent with simplicity of administration and the best interests of the recipients";

(c) Section 1002(a)(5) of such Act is amended by—

(1) striking out "necessary" and inserting in lieu thereof "necessary (i)"; and

(2) adding at the end before the comma the following: "and (ii) to assure that eligibility for and the extent of aid under the plan will be determined in a manner consistent with simplicity of administration and the best interests of the recipients";

(d) Section 1402(a)(5) of such Act is amended by—

(1) striking out "necessary" and inserting in lieu thereof "necessary (i)"; and

(2) adding at the end before the comma the following: "and (ii) to assure that eligibility for and the extent of aid under the plan will be determined in a manner consistent with simplicity of administration and the best interests of the recipients"; and

(e) Section 1602(a)(5) of such Act is amended by—

(1) striking out "necessary" and inserting in lieu thereof "necessary (i)"; and

(2) adding at the end before the comma the following: "and (ii) to assure that eligibility for and the extent of aid or assistance under the plan will be determined in a manner consistent with simplicity of administration and the best interests of the recipients".

Sec. 111. Title VII of the Social Security Act is hereby amended by adding a new section 708 at the end thereof, such new section to read as follows:

"Sec. 708. The Secretary of Health, Education, and Welfare shall make a study of and recommendations concerning the means by which and the extent to which the staff of State public welfare agencies may better serve, advise, and assist applicants for or recipients of assistance in securing the full protection of local, State, and Federal health, housing, and related laws and in helping them make most effective use of public assistance and other programs in the community and the extent to which the State public assistance program may be used as a means of enforcing local, State, and Federal health, housing, and related laws. The Secretary shall report the results of such study and make recommendations, including the necessary changes in this Act, to the Congress no later than July 1, 1969."

Mr. HARRIS. Mr. President, the bill contains those progressive provisions which were reported out by the Senate Finance Committee, and which were passed by the Senate itself last November 22, but which failed to survive the conference. The distinguished junior Senator from New York will shortly be offering today a bill which is complementary to this bill and which incorporates certain floor amendments adopted last year which do not appear in my bill. My colleague, the junior Senator from New York, is the principal cosponsor of this bill, as I am of his bill. I want to emphasize again that every provision I offer today, and all but three provisions of my colleague's bill, have already been approved by the Senate.

I am pleased that I am joined in introducing this bill by—in addition to Mr. KENNEDY of New York—Mr. BROOKE, Mr. CASE, Mr. CLARK, Mr. GRUENING, Mr. HART, Mr. INOUE, Mr. JAVITS, Mr. KENNEDY of Massachusetts, Mr. LONG of Missouri, Mr. MCCARTHY, Mr. McGEE, Mr. MCINTYRE, Mr. MONDALE, Mr. MORSE, Mr. MUSKIE, Mr. NELSON, Mr. PELL, Mr. PROUTY, Mr. PROXMIER, Mr. RIBICOFF, Mr. TYDINGS, Mr. WILLIAMS of New Jersey, Mr. YARBOROUGH, and Mr. YOUNG of Ohio.

I believe most Members of the Senate

were made aware of how seriously a number of us who opposed the conference report regarded the regressive welfare measures which were written into the law last session. Those of us who were concerned about these provisions last year continue to be very gravely concerned about them today. We intend, beginning today, to renew our fight to repeal the freeze on the level of Federal contributions to State AFDC programs, and to revise and rescind the other harsh measures which were written into the conference report and ultimately signed into law.

Our problem last session was that, on the final rollcall vote, the Congress would have had to vote against increased social security benefits in order to reject the welfare restrictions. With that obstacle removed and with time to reconsider its action this session, I believe the chances are much improved that the Congress will realize how harmful the new amendments are and repeal them. Both taxpayers and welfare recipients felt our welfare system was a failure even before the new restrictions were enacted. But with passage of these amendments, it was in many ways made worse.

Mr. President, I commend President Johnson for his statement on this subject at the time of the signing of the social security bill, and I ask unanimous consent that it be printed at this point in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

EXCERPT FROM SOCIAL SECURITY SIGNING STATEMENT BY THE PRESIDENT, JANUARY 2, 1968

Franklin Roosevelt's vision of social insurance has stood the test of the changing times. I wish I could say the same for our nation's welfare system.

The welfare system today pleases no one. It is criticized by liberals and conservatives, by the poor and the wealthy, by social workers and politicians, by whites and by Negroes in every area of the nation.

My recommendations to the Congress this year sought to make basic changes in the system.

Some of these recommendations were adopted. They include a work incentive program, incentives for earning, day care for children, child and maternal health services and family planning services. I believe these changes will have a good effect.

Other of my recommendations were not adopted by the Congress. In their place, the Congress substituted certain severe restrictions.

I am directing Secretary Gardner to work with state governments so that compassionate safeguards are established to protect deserving mothers and needy children.

Mr. HARRIS. I also commend the President for his establishment of the Commission on Income Maintenance Programs, chaired by Ben W. Heineman, chairman of the board, Chicago & North Western Railroad. Senators will recall that I strongly urged just such a study in my statement on welfare just before the vote on the social security bill last session. We need a fundamental overhaul of our entire welfare program in this country. As one knowledgeable person has said, it is a system which aims more toward saving money than saving people, and, tragically, winds up saving neither.

Let me reiterate that nothing I say to-

day is intended as a criticism of my chairman on the Senate Finance Committee or of my distinguished colleagues on that committee who served as members of the conference. As I made clear during debate last session, we had their assurances that they did the best they could in a very tough situation in the conference, and I, of course, accept that.

Welfare programs reach around 7.3 million persons.

Some 2.8 million are over 65, blind or otherwise so severely handicapped that their work potential, if any, is severely limited.

About 3.5 million are children in the aid for dependent children program—AFDC—whose parents do not or cannot provide financial support.

Of the remaining recipients, 900,000 are mothers of children receiving welfare and 150,000 are fathers; two-thirds of these fathers are incapacitated. Only 50,000 are in the special program called aid to families with dependent children—unemployed parents—operating now in 22 States.

The most important and critical provision of the bill I offer today is its repeal of the intolerable freeze on the level of the Federal contribution to State AFDC programs. This limitation, which goes into effect on July 1 of this year, will either place an excessive financial burden on the States to make up for lost Federal matching revenues, or bar tens of thousands of families otherwise eligible for AFDC from the program if the States cannot or refuse to make up the lost Federal funds or spread even more thinly the already meager benefits paid under AFDC. All three of these results will occur simultaneously, to some extent, depending on the reaction of each individual State to the terms of the freeze. At worst, as I emphasized in debate last session, as many as 300,000 children—according to administration estimates—could be cut off the AFDC rolls on July 1 of this year.

Mr. President, I have received an excellent description of the impact this freeze will have on the States which also contains a technical explanation of how the freeze will work. It was written by Mrs. Elizabeth Wickenden, a well-known consultant on welfare policy. I ask unanimous consent that it be printed in the RECORD at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

EFFECT OF THE "FREEZE" PROVISIONS OF PUBLIC LAW 90-248

(Prepared by Elizabeth Wickenden technical consultant on public social policy to the National Assembly for Social Policy and Development, Inc.)

Provision. Section 208 of PL 90-248 amends section 403 of the Social Security Act to limit Federal reimbursement to the states for assistance payments for children in need because of a parent's absence from the home (by reason of desertion, illegitimacy, separation, or divorce) for any quarter after June 30, 1968 to the same proportion of the total child population as existed in the quarter beginning on January 1, 1968.

Explanation. This is a financial limitation not a case load or intake limitation. In fact, it is a condition of Federal participation in a state AFDC program that (1) the state must accept and act promptly on all

applications (2) must treat all eligible children throughout the state according to the same standards, (3) may not consider illegitimacy as a reason for excluding an otherwise eligible child and (4) must extend the right of appeal to individuals dissatisfied with decisions on any of these points.

The frequent statement made during debate on H.R. 12080 that this provision would automatically cut off such children or limit new cases is based on a lack of understanding of the above provisions of the basic act. Its purpose is, in fact, to force states to reduce or limit their caseloads—with respect to this group of children—in other ways. This was clearly stated by Ways and Means Committee Chairman in House debate on December 13, (p. 36368 of the CONGRESSIONAL RECORD) when he said, "It is there to get the States to act on the other provisions of the bill requiring them to do something to reduce dependency and to take people off welfare who should not be there. It is as simple as that . . . we are furnishing a prod to obtain some results from the State welfare agencies."

Effect on the states. It is important to understand the method of federal reimbursement to the states. This reimbursement takes place after the fact and is based on actual expenditures made by the state on an average per capita basis in behalf of all eligible children during the prior quarter. There is a limit on the per capita reimbursement but, prior to this enactment, not on the number of such children. This so-called "open ended authorization" is directly related to the plan requirements described above and the assumption that the factors which cause need for assistance within a state are neither related to its fiscal capacity nor subject to its control.

Under this provision when a state submits its expenditures for the prior three months on October 1, 1968 its Federal reimbursement will be based on (1) average expenditures for all children in need because of the death, disability, or unemployment of a parent but (2) for those with an absent parent only up to the number determined by the 1st quarter ratio. Thus in meeting federal plan requirements for equal treatment of both groups many states will have overspent.

The state faced with a deficit in its reimbursement will still be required to give future assistance on an equitable basis to children in both categories and to accept all new eligible children. Thus at the end of the next quarter its reimbursement will again be curtailed.

Faced with this progressive reduction in its Federal reimbursement a state has the following options: (1) find more state money, (2) reduce assistance payments for all children or (3) eliminate some cases by tighter eligibility requirements.

Most states operate on an annual budget and most state legislatures meet biennially. The chances of finding additional state and local money, especially by October 1, 1968 are extremely poor. They will, therefore, have to absorb any third quarter reduction in their fourth quarter expenditures and, so on, in a geometric progression of reduction. This is further complicated by the many requirements for additional financing imposed on the states by PL 248 (matching for day care, work project costs, income exemptions, etc.) and by the fact that any beneficial effects from these programs will be slow in developing.

If grants are reduced to absorb the deficit they must, under existing federal law, be reduced equally across the whole caseload. Thus the same or greater deficit in federal matching can again be anticipated at the end of each quarter.

With respect to the third option, since the financial limitation applies only to children with an absent parent, there is a clear advantage to the state in trying to reduce the number of such children on the rolls or

accepted for assistance. The new law offers a variety of ways to do this but increasingly they are being challenged in the courts as unconstitutional discriminatory. In fact, the whole trend of recent court decisions (for example on resident requirements and man-in-the-house prohibitions) is to *widen* the requirements for eligibility. Thus the states are caught in a squeeze which leaves them little choice but to cut the level of assistance payments for all children.

Mr. HARRIS. Mr. President, another important feature of the bill just introduced is that it would require each State to participate in the AFDC-UP program by July 1, 1969. This is the one provision of the present bill which was not reported out by the Senate Finance Committee. I offered it as a floor amendment last session and it was approved by the Senate on a rollcall vote. The effect of this measure would be to correct a most serious deficiency in the present law which has existed for a number of years. In many States the AFDC regulations encourage, and, in fact, make inevitable, the disintegration of families because they require that a father whose family is otherwise entitled to aid to families with dependent children, but who is unemployed, leave his children and his home so that they may be able to receive assistance. This is not merely a minor or obscure defect of public assistance under the present law; it is one of the major causes of despair and breakdown among poor families. We affluent Americans cannot have it both ways. We cannot say that people are to be condemned for the breakdown of their families on the one hand, and then continue a program in most of the States which encourages the breakdown of families.

I want to make clear that this provision would permit families with unemployed fathers to receive AFDC assistance only if the unemployed father both registers for work with his State's employment service office and participates in the work-training programs provided for elsewhere in the Social Security Act. The Department of Health, Education, and Welfare has estimated that the Federal cost of this program would be \$60 million and the cost to the States, between \$30 and \$35 million. This may very well overestimate the costs of the program, for if enough unemployed fathers participate in the work-training programs as a condition of receiving AFDC assistance, a great many of these men can be expected to secure regular, full-time employment which pays them enough to make public assistance for their families unnecessary.

The bill I have just introduced would also humanize public assistance in several other ways. It would restore a more realistic training-incentive payment of \$20 per week for participants in the new work-training program provided in last year's legislation, instead of the \$30 per month incentive adopted, and it would enhance the new work-incentive provisions passed last year by permitting welfare recipients to keep the first \$50 and half the remainder of earned income. It will be recalled that the House and conference version of this particular measure—now the present law—would provide an exemption of only \$30 and one-third of the remainder of earned income. Lib-

eralizing this measure as I propose to do would significantly increase the incentive of AFDC recipients to seek and to retain employment.

Several other provisions of the bill just introduced would dissociate the employment record of a father from his family's need for assistance under AFDC. One would repeal the requirement that a father have 6 calendar quarters of work or have been entitled to unemployment compensation as a condition for eligibility to assistance under the special AFDC-unemployed parents program. As the law now stands, those families most in need of assistance—young families with small children in which the wage earner may have a disqualifying record of broken employment—are most heavily penalized. This is true, because it is the young family head who is most likely not to have been previously employed, or not to have had sufficient employment experience to qualify for unemployment compensation, and, therefore, for AFDC-UP.

Another provision of this bill would repeal an onerous form of discrimination in the law against persons who receive unemployment compensation. The way the law now reads, AFDC aid in any amount is denied to an unemployed worker's family if he is receiving unemployment compensation in any amount. All we are asking is that the previous law be restored under which States could, at their option, deny all or any part of AFDC payments to a worker's family during any month in which he received unemployment compensation. Although this amendment is not consistent with the principle that earned income should be prorated when a State welfare agency is determining how much AFDC assistance a family can get, it would restore the Senate position, and the previous law, on this matter. After further consideration, it might be found advisable to liberalize this provision even further at some time in the future.

Finally, the bill I propose today would authorize a study of ways to make the welfare system more responsive to the needs of welfare recipients and more activist in their behalf. What we intend here is for the Secretary of Health, Education, and Welfare to conduct a broad review of the ways in which welfare recipients are treated by welfare agencies, and to discover and recommend methods and means by which the system can both be made more humane and more efficient. We are also interested in recommendations about how the system could serve more effectively as a channel into the mainstream of our society and economy, rather than constitute, as it now does, a separate, impoverished, and demeaning way of life to which the poor are consigned from one generation to the next.

This provision was offered by me and adopted by the Senate last session as a companion amendment to another amendment, now law, which I offered and which established the requirement for the recruitment, training, and use of the poor as subprofessional "community service aides," and also for the use of volunteers in each State's welfare program. The study provided for in this bill

will propose ways of reducing the feeling of being adversaries which many recipients and caseworkers have toward each other.

I yield now to my principal cosponsor, the distinguished junior Senator from New York, who, I believe, plans to introduce his bill at the present time.

SOCIAL SECURITY AMENDMENTS

Mr. KENNEDY of New York. Mr. President, I introduce, for appropriate reference, for myself, the Senator from Oklahoma [Mr. HARRIS], and 23 additional cosponsors, a bill to amend the public welfare and medicaid provisions of the Social Security Act, which Congress enacted last year. This bill complements the one which Senator HARRIS has just introduced, and I am glad to be associated with him in this renewed effort to rid the law of the restrictive and punitive provisions added last year. The bipartisan group of Senators cosponsoring my bill includes Senators BROOKE, CASE, CLARK, GRUENING, HART, INOUE, JAVITS, KENNEDY of Massachusetts, MCCARTHY, MCGEE, MCINTYRE, MONDALE, MORSE, MUSKIE, NELSON, PELL, PROUTY, PROXMIER, RIBICOFF, TYDINGS, WILLIAMS of New Jersey, YARBOROUGH, and YOUNG of Ohio.

Mr. President, the legislative effort which we launch today is of critical importance. At a time when there is an increasing polarization of points of view in our Nation, when there is an increasing alienation of one group from another within our Nation, the welfare restrictions enacted last year only serve to make matters worse. By enacting these restrictions, Congress has decided to punish the children of the poor without making any fundamental change in the present unsatisfactory status of the welfare system. It has said to the mothers of poor children that we judge whether they should be home to take care of their children by a far different standard than that which we apply in our own homes. It has said to the mothers of poor children that a Government official will decide whether they can take care of their children or whether they must go to work. It has said to States and localities already hard pressed to raise tax revenues that the Federal Government is no longer going to meet a responsibility which it undertook to meet 30 years ago, and yet the States must continue to meet it in the same way. The result of what we did last year will be, first, to punish the children of the poor, and, second, to force an increase in State and local taxes at a time when taxpayers are already overburdened. At the same time, we did not bring about the changes which are so desperately needed if we are to substitute employment for welfare dependency and make tax producers out of tax consumers.

And the new law is almost unadministerable in a number of respects. The freeze, for example, will be a monstrosity—and the Governors of 22 States have already indicated their opposition to it. Consider what will happen in a State which is unable to come up with funds of its own to pay for new welfare children—a likely possibility in most States. The

law requires the State to accept everyone who is eligible. Assiduous application of the new restrictions in the law may trim the rolls somewhat, but there will undoubtedly be some children frozen out of Federal aid by the new limitation. Suppose the State was previously spending \$50 per child per month. Unable to come up with locally generated funds, it will have to spread the Federal money among more children. So it may, perhaps, give each child \$45 a month in order to take care of all. Now, however, when it goes back to the Federal Government during the next fiscal quarter for reimbursement, it has spent only \$45 per child, and will get Federal reimbursement at that rate, and then only for those children within the freeze. It will therefore have less money for the next fiscal quarter and be forced to lower its standards again in order to accommodate all. As far as anyone can tell, the process will go on ad infinitum. The freeze will be a fiscal and administrative nightmare.

Nor is HEW acting with any noteworthy firmness so far in seeing that the new law will be properly carried out. Consider what has happened with reference to the question of coercion of mothers to work. Even though the law contains no specific exemption for mothers, it does say that only "appropriate" individuals are to be referred for work training, and this language clearly gives HEW the authority to define the word "appropriate" so as to protect mothers who ought to be taking care of their children rather than working. Yet, what has happened? Instead of proposing to issue regulations which would have to be published in the Federal Register and would have the force of law, HEW is evidently proposing merely to handle the matter by a "State letter," by in effect issuing guidelines instead of regulation. This, while less desirable than regulations, might not be wholly unsatisfactory if the guidelines were firm and clear. Instead, however, the draft guidelines which HEW has sent out to the States regarding who is appropriate for work training contain no firm definitions at all. In fact, they tell the States that Congress wanted the question of whether mothers should be required to work to be handled with "particular flexibility." And the question of whether particular categories of mothers should be exempted is dealt with by the use of words like "desirable" and "perhaps." Clearly, this approach is apt to create problems for families and mothers that could be avoided.

In short, the public welfare provisions of Public Law 90-248 are a stimulant to chaos, both human and fiscal. That is why the legislation we introduce today is so desperately needed.

Mr. President, the two bills we introduce today would essentially restore the law to what it would have been had the Senate-passed version of H.R. 12080 prevailed in conference. Senator HARRIS' bill, as he has explained, would repeal the freeze on Federal participation in AFDC and the limitations enacted on the AFDC-UP program. My bill would insure that mothers cannot be forced to work when they should be taking care of their children, as well as accomplish certain

other objectives which I shall explain in a moment.

This legislation will be introduced in the other body as well, and we hope that it will be considered in the appropriate committees in the two houses. Later in the year I plan as well to introduce broader legislation dealing with needed long-range changes in our welfare policy. The proposals we introduce today are the bare minimum needed to move us back toward a progressive welfare policy. We hope they can be enacted without delay.

Let me explain this bill in somewhat more detail.

Section 1(a) would reinsert into the work incentive program enacted last year the exemptions from coercion to work for mothers which were added by the Senate and dropped in conference. Under this section a mother who is actually caring for one or more children of preschool age could not be forced to work against her will, and a mother who is actually caring for one or more children under the age of 16 who are attending school could not be forced to work except during school hours. This section would also give the State welfare agency the power, to be exercised in accordance with criteria established by the Secretary of Health, Education, and Welfare, to exempt other persons whose participation in the work incentive program would not serve their own best interests and the objectives of the program. Every feature of this section was included in my amendment No. 465 which the Senate adopted by a vote of 41 to 38 during its consideration of H.R. 12080.

I cannot emphasize too strongly the importance of this proposal. I believe we must ask ourselves what kind of a country we are when we enact legislation in the last third of the 20th century which would force mothers of children who need parental care to go to work. The Congress of the United States—we who sit in this body—have not only acted contrary to fundamental humanitarian, and, I might add, constitutional principles, but we have ignored all of the learning and knowledge which has been brought to us by the discipline of child psychology. We have said to the poor that a Government bureaucrat can tell them whether their children will be brought up with parental care and supervision. I think that was a tragic decision on our part. We must reverse it.

Section 1(b) of the bill would reinsert into the work incentive program a protection, which the Senate adopted but the conference dropped, for children whose parent or parents refuse to participate in the program. The law as enacted requires that welfare payments to such children be made through a third party, thus reflecting an automatic judgment that a parent who refuses to work is incapable of handling money. This inflexible provision, by undermining respect between child and parent regardless of the circumstances involved in the refusal to work, will damage family life even further. Section 1(b) leaves up to the local welfare authorities the question of whether the welfare assistance to the child should be paid through a third party once one of his parents refuses

to work. Thus the matter will be left more flexible and can be determined on a case-by-case basis as appropriate. This section was also adopted by the Senate as part of my amendment No. 465 last fall, as part of the same 41 to 38 record vote which I mentioned a moment ago.

Section 1(c) would require that any work to which people are assigned under the work incentive program which is not covered by the Federal minimum wage would be compensated at the Federal minimum wage applicable to newly covered workers. This would prevent people from being forced to work at substandard wages. This amendment was narrowly defeated in the Senate but the debate did not make clear that this provision entails no cost—the welfare recipient would simply work fewer hours to "work off" his welfare and be compensated more adequately, therefore, for his work.

Examination of the Federal minimum wage law reveals that much of the employment to which people are likely to be assigned under the work incentive program is not covered by the minimum wage. Such categories as day care, public maintenance and construction, sanitation departments, landscape and grounds departments, reclamation and irrigation, and, indeed, all other State and local governmental employment except for employment in hospitals, schools, and transit, are not covered by the Federal minimum wage. It is easy to imagine, therefore, that in some parts of our country people will be put to work on tasks that local government wants done at wages of 35 or 50 cents an hour. One can imagine ditch-digging projects and lavatory-cleaning projects at 35 cents or 50 cents an hour. The law as enacted permits this. The amendment contained in section 1(c) of the bill would change this. The minimum wage applicable for the current calendar year to newly covered workers is \$1.15 an hour, the return from which, even for a full-time worker, is not sufficient to allow him to support a family above the poverty level. So this amendment does not ask for much. It is the least we can do.

Section 2 would amend the program of aid to dependent children of unemployed fathers by making Federal aid available to supplement the earnings of working fathers whose income is below the State AFDC standard. This provision is complementary to the earnings exemption for welfare recipients which was created in the 1967 law, and would be liberalized by the Harris bill. That exemption will allow people to go to work to supplement their welfare assistance, ending the previous situation where the welfare recipient lost a dollar of welfare for every dollar he earned. Section 2 is the other side of the coin—it would supplement the income of working fathers where their earnings are so low that they do not even equal the State's welfare definition of minimum family need. Thus section 2 would be an equitable and constructive addition to the welfare law.

To some extent, of course, the manner in which HEW defines the term "unemployment" in the rewritten section 407 of the law will determine the scope of the "underemployment" proposal I made

today. If—as past history would suggest—"unemployment" is defined to include part-time and seasonal workers, section 2 of my bill will cover correspondingly fewer workers.

In any event, the proposal in section 2 is really motivated by considerations of simple justice. Under the earnings exemption enacted last year, a person on welfare might go to work, and, as a result of the operation of the law, have a combined income from work and welfare which exceeds that of a person working right alongside who was never on welfare. This is, in simple terms, unjust. Section 2 would insure that the person working alongside, who was working all along and never asked for welfare, could also receive aid to help him support his family if his earnings are below the State welfare standard. He would receive aid according to the same formula as the AFDC recipient who goes to work and receives welfare and earned income in accordance with the earnings exemption added last year as sections 402(a) (7) and (8) of the Social Security Act. Since the amendment would help fathers who are living with their families and working and trying to support them, it is a valid means of discouraging desertion and encouraging stable, healthy family life. As such, it would be a most important addition to the public welfare provisions of the Social Security Act.

Section 3 of the bill would alleviate a serious discrimination that is involved in the ceiling on Federal reimbursement for medicaid adopted last year. The law as enacted says that the Federal Government will not reimburse the State for medical assistance to families with income exceeding 133 1/3 percent of the actual level of AFDC payments in the State to a family of that size.

This provision will be a disaster in many States. Title XIX contemplated that medical indigency would be defined at a level substantially in excess of a State's public assistance definition of minimum family need. But instead of looking to a State's definition of minimum need, the new law looks to the amount which the State actually pays its public assistance recipients.

Because the actual level of AFDC payments in many States is far less than the State's definition of minimum family need, the new law will force many States to have medical assistance eligibility levels which are actually lower than their welfare standards. For example, Mississippi, according to HEW figures, was paying 22.8 percent of its own minimum need definition to its ADC children in January of last year. It defined the minimum need of a family of four at about \$2,340 a year, but paid about \$600 a year to such a family. When the 133 1/3-percent limitation in the new law goes into effect, the ceiling for medical assistance in Mississippi will thus be about \$800 for a family of four, or about 30 percent of its own definition of minimum need. The State of Ohio is another good example. In January 1966 its definition of minimum need was \$224 a month for a family of four. However, its ADC payments were actually \$170 a month for a family of that size. When the 133 1/3-per-

cent limitation goes into effect, the ceiling on medical assistance for a family of four in Ohio will, therefore, be approximately \$227 a month—an unacceptably low figure.

I might add two other examples to show how widespread the inequity worked by the new law will be. In Indiana, for example, a family of four is eligible for welfare if their income is less than \$271.40 a month. But such a family in actuality receives only \$103 a month. Under the new law, therefore, a family will be able to receive medical assistance only if their income is below \$137 a month. In Texas a family of four qualifies for public assistance if their income is less than \$163.95 a month, but the actual level of welfare payments is such that they will qualify for medicaid only if their income is less than \$124 a month.

Thus the new law will cause the ceiling on income eligibility for medical assistance in many States to be less than the income level which the State says is the minimum needed to sustain existence. This will not be the case in New York where the State's actual welfare payments are the same as its definition of minimum family need, but it will be true in dozens of other States. Section 3 would correct this serious situation by relating the 133 1/3 percent ceiling to the State's welfare standard instead of to its actual level of payments.

In conclusion, Mr. President, let me reiterate that the proposals which Senator HARRIS and I introduce today are the bare minimum, in our judgment, for action by the Congress in 1968. We should be profoundly ashamed if we do anything less.

I ask unanimous consent that my bill be printed in the RECORD at the close of my remarks.

The ACTING PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

The bill (S. 2893) to amend title IV of the Social Security Act to improve the program of aid to families with dependent children, and for other purposes, introduced by Mr. KENNEDY of New York (for himself and other Senators), was received, read twice by its title, referred to the Committee on Finance, and ordered to be printed in the RECORD, as follows:

S. 2893

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) Section 402(a) (19) (A) of the Social Security Act is amended (A) by inserting "or" at the end of clause (vii) thereof, and (B) by adding at the end thereof the following new clauses:

"(viii) a mother or other person who is actually caring for one or more children of pre-school age, or a mother or other relative who is actually caring for one or more children under the age of 16 who are attending school, except where participation in such work program does not necessitate the absence of such mother or relative from the home during hours when the child or children are not attending school, or

"(ix) a person with respect to whom the State agency finds, in accordance with criteria established by the Secretary, that participation under the work incentive pro-

grams established by part C would be not in the best interests of such child, relative, or individual and inconsistent with the objectives of such programs;"

(b) (1) Section 402(a) (19) (F) (i) of the Social Security Act is amended to read as follows:

"(i) if the relative makes such refusal, such relative's needs shall not be taken into account in making the determination under clause (7), and aid for any dependent child in the family shall be continued;"

(2) Section 403(a) of the Social Security Act is amended by striking out in the last sentence thereof "with section 402(a) (19) (F)" and inserting in lieu thereof "the last clause of section 402(a) (19) (F)".

(c) Section 433(e) (4) of the Social Security Act is amended by inserting immediately before the period at the end thereof the following: "except that, in any case in which the particular work concerned is not covered by the Fair Labor Standards Act of 1938, the wage rates provided under any such agreement shall not be lower than the rate provided under section 6(b) of such Act".

SEC. 2. (a) The heading to section 407 of the Social Security Act is amended by inserting "or Underemployed" after "Unemployed".

(b) Section 407(a) of the Social Security Act is amended by inserting "or underemployed" after "unemployment".

(c) Section 407(b) (1) (A) of such Act is amended by inserting "or has been underemployed" after "employed".

(d) Section 407(d) of such Act is amended by adding at the end thereof the following new paragraph:

"(4) an individual shall be deemed to be underemployed so long as his earned income and the earned income of the persons specified in clause (7) of section 402(a) were not in excess of their need as determined by the State agency pursuant to such clause (7) (without regard to clause (8))."

(e) (1) Except as hereinafter provided, the amendment made by this section shall be effective July 1, 1968.

(2) No State which had in operation a program of aid with respect to children of unemployed parents under section 407 of the Social Security Act (as in effect prior to the Social Security Amendments of 1967) in the calendar quarter commencing October 1, 1967, shall be required to include any additional child or family under its State plan approved under section 402 of such Act by reason of the enactment of this section, prior to July 1, 1969.

(3) The provisions of paragraph (2) shall not apply to any State which prior to July 1, 1968, has included additional children or families under its State plan approved under section 402 of the Social Security Act in accordance with the provisions of section 203 (a) of the Social Security Amendments of 1967.

SEC. 3. (a) Section 1903(f) (1) (B) (i) of the Social Security Act is amended by striking out "133 1/3 percent of the highest amount which would ordinarily be paid to" and inserting in lieu thereof "133 1/3 percent of the highest amount, applicable in the State for determining need, of".

(b) Section 1903(f) (3) of such Act is amended to read as follows:

"(3) For purposes of paragraph (1) (B), in the case of a family consisting of only one individual, the 'amount, applicable in the State for determining need' of such family under the State's plan approved under part A of title IV of this Act shall be the amount determined by the State agency (on the basis of reasonable relationship to the amounts applicable under such plan to families consisting of two or more persons) to be the amount which would be applicable in the State for determining need under the State plan of a family (without income or resources) consisting of one person if such

plan (without regard to section 408) provided for aid to such a family."

Mr. JAVITS. Mr. President, I am very pleased to note this move, and to be associated with it. I believe that the Senate had acted very wisely in respect to the measure it passed, and the result of the conference was a devastating blow to the fairness, justice, and even the wisdom and intelligence which went into the welfare plan as it passed the Senate last year. I hope very much that that injustice will be corrected. The fact that we were compelled to swallow the whole report because it was a unit, and many felt that parts of it were more desirable than the whole—though I did not, and I think the junior Senator from New York felt as I did—does not justify it, and I think the majority really ought to have this on their consciences and that we, in this session, should seek to see undone these injustices of which Senator KENNEDY and Senator HARRIS have spoken, and which are dealt with in these proposals.

Mr. KENNEDY of New York. I thank my senior colleague, and also commend him for the leadership he provided in this area for such a long time, and for the great interest he has taken in this legislation.

Mr. PROUTY. Mr. President, I am happy to be a cosponsor of the bills which have just been introduced by the distinguished junior Senator from Oklahoma [Mr. HARRIS] and the distinguished junior Senator from New York [Mr. KENNEDY]. I believe these bills represent an objective and a humanitarian approach to some of the problems of our underprivileged citizens.

I must say at this point, however, that I do have one or two reservations with respect to provisions in the bill. One involves payment of minimum wages to those who are engaged in so-called make-work programs.

But I believe this is something that can be resolved and worked out to the satisfaction of everyone, and I am indeed happy to associate myself with the distinguished Senators who have introduced these bills.

Mr. KENNEDY of New York. I appreciate the comment of the Senator from Vermont, and his efforts as well.

I understand the problem with respect to the minimum wage. However, I believe it would be most unfortunate to take mothers out of their homes and force them to go to work at 20 or 30 cents an hour, to clean out latrines or whatever it might be. This is an effort to escape from that. I agree with the Senator from Vermont that I am sure some compromise can be worked out.

Mr. MUSKIE. Mr. President, I am pleased to cosponsor the Social Security Act amendments of Senator HARRIS and Senator ROBERT KENNEDY.

On December 15, 1967, prior to the vote on the conference committee report on the Social Security Act Amendments of 1967, I stated my reservations on the bill. I predicted that several provisions of the bill would "injure hundreds of thousands of poor men, women, and children, and hinder our search for a better answer to the vicious cycle of poverty which afflicts

too many families in all areas of our country."

Senator HARRIS' proposed amendments will remove the restrictions placed on the number of AFDC children who can be aided with Federal funds. If these restrictions are not removed, malnutrition and disease will affect destitute families who are denied even a minimal subsistence. If local communities are forced to assume the care of these children, the financial burden will be overwhelming in many of our Nation's municipalities. We in the Congress extended and enlarged the Child Health Act included in the 1967 Social Security Act Amendments. This far-reaching provision will aid in reducing the Nation's infant mortality rate and it will provide for family planning services. Ironically, within the same bill are contained retrogressive provisions which would have the effect of destroying family life rather than strengthening it.

An important feature of Senator HARRIS' amendments would require each State to institute an AFDC-unemployed fathers program. This would mean that an unemployed father, head of an impoverished household, would not be forced to abandon his family in order for his children to become eligible for financial assistance.

I endorse Senator HARRIS' proposal that a study be made by the Secretary of Health, Education, and Welfare to determine the extent to which welfare agencies and their programs are serving welfare recipients. I believe a study of this kind is long overdue and would provide the Congress, the States, and the executive branch with data needed to make improvements in these programs.

Equally essential to our welfare programs are Senator KENNEDY's amendments. I wholly support his proposal to eliminate the coercive and discriminatory measures forcing mothers of small children to work. These children all too often grow up in a home without a father. Now, under the legislation as passed last December, conceivably these children could be raised without the benefit of either father or mother.

I believe that these amendments are sound and that they will improve our welfare system by making it a more effective tool for meeting the needs of those who are impoverished and disadvantaged.

LATE SENATOR MORRIS SHEPPARD, OF TEXAS, FATHER OF HEMISFAIR IDEA, SHOULD BE HONORED IN BUILDING NAMING

Mr. YARBOROUGH. Mr. President, I introduce for appropriate reference a joint resolution designating the Federal building at HemisFair the "Morris Sheppard Pavilion."

The PRESIDING OFFICER. The joint resolution will be received and appropriately referred.

The joint resolution (S.J. Res. 135) designating the Federal building at HemisFair 1968 as the "Morris Sheppard Pavilion," introduced by Mr. YARBOROUGH, was received, read twice by its title, and referred to the Committee on Foreign Relations.

Mr. YARBOROUGH. Mr. President, on Tuesday, January 24, 1968, the official countdown for the opening of HemisFair began with a ceremony at the White House. The original idea for such an exposition was conceived more than 50 years ago by U.S. Senator Morris Sheppard, of Texas, who might properly be called the father of HemisFair.

Morris Sheppard served in the House of Representatives from November 15, 1902, to February 3, 1913. He was elected to the Senate for the terms from March 3, 1913, and served until April 9, 1941, when he died in office. He served in this body longer than anyone from my State. During his tenure of almost 40 years representing Texas in Congress, he was often a man with ideas ahead of his time.

Senator Sheppard introduced a joint resolution in the Senate of the United States on January 10, 1916, which provided for an international exposition to be held in San Antonio in 1918, with all the nations of Latin America invited to participate in the celebration.

While Senator Sheppard was not successful in his effort to celebrate the 200th anniversary of the settlement of San Antonio, due to the intervention of World War I, which forced postponement he deserves due credit for his idea—now reflected in our plans to celebrate the 250th anniversary of San Antonio with HemisFair, 1968. To illustrate the forethought of Senator Morris Sheppard, I ask unanimous consent that his Joint Resolution 72 of the first session of the 64th Congress be printed at this point in my remarks.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 72

Joint resolution to provide for holding the San Antonio Bicentennial Exposition in nineteen hundred and eighteen

Whereas it is proposed to celebrate the two hundredth anniversary of the settlement of San Antonio; and

Whereas it is peculiarly appropriate that the Latin-American Republics be invited to participate in said celebration; and

Whereas the exposition should therefore have the sanction of Congress: Therefore be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That whenever it shall be shown to the satisfaction of the President of the United States that a suitable site has been selected and that adequate provision has been made for buildings and grounds that will enable the San Antonio Bicentennial Exposition to inaugurate, carry forward, and hold an exposition at the city of San Antonio, Texas, on or about the first day of January, nineteen hundred and eighteen, to celebrate the two hundredth anniversary of the settlement of San Antonio, the President of the United States be, and he hereby is, authorized and respectfully requested, by proclamation, or in such manner as he may deem proper, to invite all the Pan American countries and nations to such proposed exposition, with a request that they participate therein.

Mr. YARBOROUGH. Mr. President, the Federal Government will participate in HemisFair with a building for which \$6,750,000 has been appropriated. I can think of no tribute more fitting to the late Senator Morris Sheppard and his

original idea of such an exposition than to have that building bear his name.

PENALTIES FOR CERTAIN ACTS OF VIOLENCE OR INTIMIDATION—AMENDMENTS

AMENDMENTS NOS. 518, 519, AND 520

Mr. THURMOND submitted three amendments, intended to be proposed by him, to the bill (H.R. 2516) to prescribe penalties for certain acts of violence or intimidation, and for other persons, which were ordered to lie on the table and to be printed.

ADDITIONAL COSPONSOR OF BILL

Mr. HRUSKA. Mr. President, I ask unanimous consent that, at its next printing, the name of the Senator from Pennsylvania [Mr. SCOTT] be added as a cosponsor of the bill (S. 2051) to amend title 18, United States Code, to provide for improved criminal procedure, and for other purposes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

NOTICE OF HEARING ON NOMINATION OF MERTON J. PECK, OF CONNECTICUT, TO BE A MEMBER OF THE COUNCIL OF ECONOMIC ADVISERS

Mr. SPARKMAN. Mr. President, I wish to announce that the Committee on Banking and Currency will hold a hearing on Monday, February 5, 1968, on the nomination of Merton J. Peck, of Connecticut, to be a member of the Council of Economic Advisers.

The hearing will commence at 10 a.m. in room 5302, New Senate Office Building.

Persons desiring to testify or to submit statements in connection with this nomination should notify Mr. Lewis G. Odom, Jr., staff director and general counsel, Senate Committee on Banking and Currency, room 5300, New Senate Office Building, Washington, D.C. 20510, telephone 225-3921.

THE F-111 AIRCRAFT PROGRAM

Mr. McCLELLAN. Mr. President, on January 22, 1968, I said in my remarks in the Senate that the Congress faces a crucial decision on whether to continue the appropriation of funds for the procurement of the F-111B aircraft, the Navy's version of the Defense Department's TFX airplane program.

Recent news stories, which I believe to be substantially accurate, state that the top-ranking officers of the Navy have judged the F-111B incapable of performing the combat missions for which it was originally designed.

Articles in the Nation's press have declared that the Navy will attempt to substitute for the F-111B a new and lighter aircraft designed to give our fleet high altitude superiority in the air. Any hope of obtaining that kind of mission performance in the TFX was long ago sacrificed to the imposed demands for "commonality" in the production of one aircraft to carry out the widely divergent

combat missions of the Air Force and the Navy.

Mr. President, I call attention to another article in the January 29, 1968, issue of Aviation Week & Space Technology which gives further information on the Navy's strong desire to obtain a new and better aircraft in place of the F-111B. I ask unanimous consent that this article be included in the RECORD at the conclusion of my remarks.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. (See exhibit 1.)

Mr. McCLELLAN. Mr. President, the article to which I refer discusses extensively the Navy's evaluation of several designs submitted by the aviation industry as substitutes for the Navy TFX, and states further that the Navy is virtually assured of success in its proposal to abandon the F-111B because of the aerodynamic limitations of the plane and the prospects that the Congress will deny any further Defense Department requests for production funding.

Mr. President, I reiterate today my conviction that the Congress must prohibit further waste of the taxpayers' money on this airplane which the Navy reportedly intends to discard as soon as possible. It may be well for the Congress to direct that research and development proceed without further delay on a new Navy aircraft designed to give the superior performance which recent world events have demonstrated is vital to our national defense and security. The multi-billion-dollar waste associated with this project, serious as it is, is possibly much less tragic than is the weaponry gap that is resulting from the performance deficiencies and the inability of this plane to meet our defense requirements.

Mr. President, my attention has been called to a brief article which appeared in the Periscope of Newsweek magazine of February 5, 1968, which states in part:

The "revolt of the admirals" against the F-111B supersonic fighter has backfired. . . . some executives within the prime contractor company (Grumman) itself were also urging a separate Navy plane But the F-111B will undergo major tests next month, and Robert McNamara has passed the word to the Navy: either take the F-111B or nothing. . . . Clark Clifford goes along with McNamara, and now it seems the admirals have created so many doubts about the plane on the Hill that the Navy may find itself without any swing-wing plane at all.

Mr. President, I ask unanimous consent that this entire article be printed in the RECORD at the conclusion of my remarks.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. (See exhibit 2.)

Mr. McCLELLAN. Mr. President, there is no reason for the Navy to be without a swing-wing plane. That is not the issue. It is not a question of whether the Navy is to have a swing-wing plane or a plane with wings that do not swing. The issue is, Are we getting a weapon? For the Defense Secretary to say that the Navy must take this airplane, or get nothing is typical of the arbitrariness and is symbolic of the situation that has pre-

vailed from the very concept of this project. The attitude of the Secretary has been that: You must take what I say you shall have, irrespective of how good it will be or how poor it will be; you get it or nothing. That is an arrogant attitude that should no longer be tolerated.

Mr. President, the country cannot afford to have nothing. We need a weapon—the best our technology can produce. If this weapon, the F-111B, can do the job, well and good. Let us buy it and put it in our arsenal. However, if it is an inferior weapon that cannot perform the Navy's missions—if it cannot do the job, then let us waste no more money on it, but, instead, start now developing and procuring a plane that can do it.

EXHIBIT 1

NAVY EVALUATES F-111B SUBSTITUTES—GRUMMAN, McDONNELL DESIGNS ARE CURRENTLY LEADING CANDIDATES—EFFORTS TO DROP F-111B PRODUCTION PLANS EXPECTED TO SUCCEED

WASHINGTON.—Grumman-designed 303 and the McDonnell 225 design studies are current leading candidates for a high-altitude air-superiority fighter that would supplant the General Dynamics/Grumman F-111B in the Navy inventory of the future.

The Navy is virtually assured of success in its lengthy battle with the Defense Dept. to abandon production plans for the F-111B because of the aircraft's acceleration and drag limitations in the air-superiority mode (AW&ST Jan. 22, p. 20). The Navy desire to discontinue the F-111B in favor of a lighter aircraft also is spurred by the fear that a critical Congress will block any requests for additional production funding for that service's version of the fighter.

This fear was enhanced further last week by a stinging floor speech in the Senate denouncing the aircraft's potential and outgoing Defense Secretary Robert S. McNamara's previous insistence that the Navy had to purchase it despite its reservations. The speech was made by Sen. John L. McClellan (D-Ark.), chairman of the Senate Permanent Subcommittee on Investigations and a longtime critic of the F-111 program as a whole.

Industry proposals for a substitute design were sparked by a Grumman study submitted in October. In the study, the company reiterated its position that the F-111 as designed could not meet the Navy's needs for an air-superiority fighter capable of mixing in dogfights with some of the advanced Soviet military aircraft displayed for the first time at last summer's Moscow air show, during which 12 new models were exhibited (AW&ST July 17, 1967, p. 26). The study had been initiated by Grumman at the Navy's request following the Moscow display of Russia's advanced aircraft strength.

At the same time, Grumman submitted another variant of its proposed design for an advanced VFAX fighter, all of which bear the company designation of 303, as a substitute for the F-111B. This was followed by submissions from McDonnell, with two designs—the 225A and the 225D—North American Rockwell Corp. and Ling-Temco-Vought.

Additional proposals from other firms may be submitted within the near future. The Navy, however, is working on a tight schedule and hopes to settle on a final design choice within the next two months.

Weight savings in the new aircraft will be accomplished primarily by the elimination of any requirement for a low-altitude penetration capability. This was a must design feature for the F-111 to meet the needs of the Air Force, which plans to use its F-111A version of the fighter as a long-range strike aircraft. The new Navy aircraft also probably will be designed to carry only four

Hughes Phoenix air-to-air missiles as compared with the six programed for the F-111B. A Phoenix was fired from an F-111A flying supersonically for the first time on Jan. 18.

POWERPLANT RETAINED

Whatever proposal is chosen, it will be built around the F-111B's Pratt & Whitney TF30-P-12 powerplant and make use of that aircraft's missile fire-control system and other advanced avionics components in order to hold the required development times to a minimum. It also will retain the basic variable-geometry configuration developed for the F-111. Industry sources estimate that it could be made available to the fleet by 1972 if approval is received within the near future.

While bearing the VFAX designation, the aircraft will not have all the performance characteristics originally planned by the Navy for this program. Pratt & Whitney and other engine manufacturers, as an example, had been working on studies for an advanced-technology powerplant for incorporation into the VFAX as originally conceived.

ORDER TRIMMED

The Navy, a reluctant participant in the F-111 program from its inception, had planned a total production order for 267 of the aircraft. In Fiscal 1968, it requested funds for the procurement of 20 F-111Bs. The Congress, however, trimmed the total to 12 in the wake of the continuing controversy over the aircraft's high weight and its performance capabilities as a high-altitude air-superiority fighter. Grumman, while producing the aircraft under subcontract from General Dynamics, also has been less than enthusiastic over the program. It first notified the Navy in 1964 that the design could not meet the Navy's needs.

Five prototypes of the aircraft have been delivered to the Navy thus far. The sixth is scheduled for delivery in June, the seventh in August and the eighth towards the end of the year. Present planning calls for carrier-suitability trials to begin sometime this spring.

Grumman already has made a number of modifications designed to enhance the F-111B's performance capability when operating from a carrier. These include a canted windshield and raising of the crew seats by 3 in. to improve visibility. In addition, the main landing gear has been "bent back" by 8 in. to cure a potential tip-back problem in operations from carriers.

The nose has been lengthened by 2 ft., and the nose avionics compartment has been moved into the fuselage section behind the cockpit, permitting this area to be used for fuel. All of the modifications except the windshield fix will be installed on the No. 6 prototype.

The improved prospects of Navy success in gaining Defense Dept. approval to abandon the F-111B in favor of another aircraft stem primarily from the pending departure from the Pentagon of Defense Secretary McNamara. It was McNamara who decided that the Air Force and Navy should buy a "common" aircraft as a cost-savings measure that has more than backfired. And, until recently, he has continued to insist that the Navy procure the aircraft despite its evident shortcomings.

The Navy's Fiscal 1969 budget, as submitted to Congress this week, includes a production request for the F-111B. If incoming Defense Secretary Clark Clifford concurs with the Navy plan, however, it probably will be substituted by a request for development funding of a successor aircraft. Future of the F-111B was a subject of discussion last week between President Johnson and Clifford.

Following published reports of the renewed Navy hopes for a shift and indications that it would be approved, a joint statement was issued by Navy Secretary Paul Ignatius and Chief of Naval Operations Adm. Thomas

Moorer. Referring to the proposals by the four firms, it said:

"As is customary, the Navy is studying the proposals and evaluating their potential for future Navy needs."

It also added, however, that the "Navy continues to support the on-going aircraft programs and the funds in the Fiscal 1969 budget request for production of both [McDonnell] F-4 and F-111B aircraft as well as the VFAX concept."

In his Senate speech, Sen. McClellan charged:

"For more than five years, notwithstanding the known difficulties associated with this 'commonality concept' and the major inadequacies in the performance of the aircraft, the Defense Dept., year after year, gave [Congress] reassurances about the future successful development of the Navy plane. It contended that the aircraft's admitted deficiencies had either been or were in the process of being corrected. Those reassurances have not materialized; those prophecies have not been fulfilled. It is now conclusive that all of the tinkering, fixing, engineering patching and the exorbitant spending of funds for research and development have not produced a Navy plane that is capable of performing the combat missions required by the Navy."

"In fact, the plane so far produced is not even 'carrier suitable.'" In his conclusion, Sen. McClellan said:

"Mr. President, I believe that we are going to have a new day in the Defense Dept. I am persuaded that in the future critical problems will be resolved with less arbitrariness and that the judgment of experts in the military and in the field of aviation will be given proper consideration and greater weight in the making of judgments involving national defense and security."

EXHIBIT 2

F-111B: ANOTHER ADMIRAL'S REVOLT

The "revolt of the admirals" against the F-111B supersonic fighter has backfired. The gold braid had lined up Senators Stennis and McClellan against the Navy version of the Air Force's swing-wing plane; some executives within the prime contractor company (Grumman) itself were also urging a separate Navy plane (THE PERISCOPE, Nov. 27, 1967). But the F-111B will undergo major tests next month, and Robert McNamara has passed the word to the Navy: either take the F-111B or nothing (carriers already are being phased out of the Vietnam fighting in favor of the Air Force). Clark Clifford goes along with McNamara, and now it seems the admirals have created so many doubts about the plane on the Hill that the Navy may find itself without any swing-wing plane at all.

THE "PUEBLO" AND THE 3-MILE LIMIT

Mr. GRIFFIN. Mr. President, I ask unanimous consent to proceed for 5 minutes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. GRIFFIN. Mr. President, in the wake of the *Pueblo* incident, a serious question arises as to the wisdom of maintaining only a 3-mile jurisdictional limit off our shores—while most Communist nations insist upon 12 miles.

It is about time we changed our policy and insisted upon reciprocity. It makes no sense to allow Communist ships within 3 miles of our shores while we carefully observe the 12-mile limit claimed by Communist-bloc countries.

The *Pueblo* affair only underscores the

fact that for a long time we have been handing the Communists a significant espionage advantage.

Mr. President, I propose that the United States lay down a new policy with respect to our territorial waters, based on the principle of mutuality. We should notify nations such as Russia and North Korea that, so long as they claim a 12-mile limit, we shall insist that their ships stay at least 12 miles from our shoreline.

At the same time, our traditional 3-mile limit should continue to apply to those countries which reciprocate by recognizing a 3-mile limit as to their own territorial waters.

Mr. President, I am currently preparing legislation which would give effect to such a change in U.S. policy.

It is true, Mr. President, that our Nation has observed the 3-mile limit since the days of President Jefferson. The United States has long stood in the forefront of those promoting the ideal of freedom of navigation and freedom of the seas. Throughout history, the 3-mile limit has been the most generous accommodation to the interests of other maritime powers.

But there is no justification for blind adherence on our part to a rigid policy which no longer serves our national interests.

The fact is that our 3-mile limit has become an open invitation to espionage—a giveaway intelligence advantage for our adversaries.

There are those who will argue that the 3-mile limit is sacrosanct. But in fact, this policy is not a declared or customary rule of international law.

In his text, "International Law," Prof. D. P. O'Connell writes, as follows:

The most that can be said is that the three-mile limit is not a rule of customary international law at the present time for the adequate reason that not sufficient maritime states adhere to it. Indeed, it is doubtful if it ever was one.

In 1958 and 1960, international conventions at Geneva were unable to agree on a uniform, universal norm as to the extent of the territorial sea. They did succeed, however, in establishing that a country's exclusive jurisdiction should not extend beyond 12 miles.

In surveying a compilation of practice throughout the world, it becomes quite clear why the 3-mile limit lacks the character of law. Only 29 out of 98 nations with a coastline are now observing the 3-mile territorial limit. The rest all insist upon wider territorial waters, with the largest number of countries claiming 12 miles.

Mr. President, I have in hand a country-by-country survey on this question, and I ask unanimous consent that it be included in the RECORD at the conclusion of my remarks.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. (See exhibit 1.)

Mr. GRIFFIN. Mr. President, the intelligence advantage enjoyed by the Russians becomes evident when we examine the nature and activities of the Soviet spy fleet, which is composed of more than 30 trawler-type vessels.

Russian ships now work so close to our shoreline that they nearly scrape bottom.

Their crews can augment intelligence data gathered electronically with visual and photographic evidence.

Mr. President, I am talking about Soviet AGI activity. Translated, AGI means "naval auxiliary, intelligence collector."

The Soviet AGI is a trawler-type ship especially configured for intelligence collection—primarily electronic intelligence. This is not a fishing vessel or an oceanographic survey ship, although fishing sometimes is used as a convenient cover.

The collection of intelligence is the sole mission of these ships. They have sophisticated, extensive electronic equipment—and they are readily recognizable.

At least since August 1956, the Soviets have utilized AGI's in intelligence collection operations against U.S. naval bases, individual ships, and carrier task groups. They have continually expanded these operations to include any area of U.S. naval activity as well as both the east and west coasts of the United States plus world trouble spots.

AGI's are attached to each of the four Soviet fleets—North, Baltic, Black Sea, and Pacific.

Mr. President, I think it is of interest to note the characteristics of the AGI.

Their size and capabilities vary according to class. The size in gross registered tons is between 265 and 700 tons. The speed varies between 8 and 16 knots. The average length of the ships is 165 feet.

The AGI's have distinctive identification features. They are bristling with antenna installations, electronic intercept

antennas, radomes, direction-finding antennas, often more than one radar, and numerous communication whip and dipole antennas.

They have the capability to remain on station 30 to 60 days without replenishing. Deployments often last as long as 3 to 4 months.

Their mission is to collect intelligence on U.S. naval units and tactics, communications and radar frequencies, shore-based signals and missile launching sites, and flight patterns of early warning aircraft.

And, Mr. President, permit me to stress a point about the personnel of the AGI. Unlike our men on the *Pueblo* who wore Navy uniforms, the Soviet AGI personnel normally wear civilian clothing.

Mr. President, permit me to turn now to the specific locations of the operations of Soviet AGI trawlers. They have certain continuously manned stations and provide continuous intelligence collection operations offshore from a number of U.S. naval submarine installations throughout the world. These installations include the east coast of the United States, particularly Charleston, S.C.; Rota, Spain; the British Isles vicinity of Holy Loch, Scotland, and Guam.

The AGI manned stations also provide continuous intelligence collection operations in the South China Sea where the United States conducts carrier operations off Vietnam, and the Mediterranean Sea where the U.S. 6th Fleet is in operation.

Additionally, the AGI provides periodic coverage of the U.S. west coast and Hawaii.

Needless to say, Mr. President, these AGI trawlers report to the Union of the Soviet Socialist Republics all the information they can obtain, particularly on

the movements of aircraft carriers and Polaris submarines.

There also is another important aspect of AGI operations.

Soviet naval ships, and AGI's in particular, have been guilty of numerous incidents of harassment of U.S. Navy units in the open sea.

In 1 year alone, 1965, AGI's were involved in 16 harassing episodes.

Mr. President, I have the details of nine specific harassment incidents which have occurred since 1961, and I request that this material be placed in the RECORD at the conclusion of my remarks.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. (See exhibit 2.)

Mr. GRIFFIN. Mr. President, what I have related here should leave no doubt as to the advantage which our 3-mile limit hands to Soviet intelligence efforts. I believe our commitment to the 3-mile limit is outmoded in an age of electronic wizardry—especially when the nations which penetrate our shores for undercover work apply different ground rules to our vessels.

It is high time to recognize, Mr. President, that we need a new policy—one which is based upon mutuality—one which is realistic and serves our national interest.

EXHIBIT 1

BREADTH OF TERRITORIAL SEA AND FISHING JURISDICTION CLAIMED BY MEMBERS OF THE UNITED NATIONS SYSTEM

The following information is based on the synoptical tables concerning the breadth and juridical status of the territorial sea and adjacent zones prepared for the 1958 and 1960 Geneva Law of the Sea Conferences, and additional information available to the Department of State (April 1, 1967):

Country	Territorial sea	Fishing limits	Other	Country	Territorial sea	Fishing limits	Other
AFRICA				AFRICA—Continued			
Algeria	12 miles	12 miles		Uganda	No coast		
Biafra (Eastern Nigeria)	12 miles, all purposes.			United Arab Republic	12 miles	12 miles	
(June 8, 1967).				Upper Volta	No coast		
Botswana	No coast			Zambia	do		
Burundi	do			EAST ASIA AND PACIFIC			
Cameroon	18 miles	18 miles		Australia	3 miles	Decision announced for 12 miles fishery limits.	
Central African Republic	No coast			Burma	12 miles	12 miles	
Chad	do			Cambodia	5 miles	do	Continental Shelf to 50 meters, including sovereignty over superjacent waters.
Congo (Brazzaville)	Not available			China	3 miles	3 miles	
Congo (Kinshasa)	do			Indonesia	12 miles	12 miles	Archipelago concept baselines.
Dahomey	3 miles	12 miles	May also apply to territorial sea.	Japan	3 miles	3 miles	
Ethiopia	12 miles	do		Korea	Not available	20 to 200 miles	Continental Shelf, including sovereignty over superjacent waters.
Gabon	do	do		North Korea	12 miles		
Ghana	do	do	Undefined protective areas may be proclaimed seaward of territorial sea, and up to 100 miles seaward of territorial sea may be proclaimed fishing conservation zone.	Laos	No coast		
Guinea	130 miles	130 miles		Malaysia	3 miles	3 miles	
Ivory Coast	6 miles	12 miles		Mongolia	No coast		
Kenya	3 miles	3 miles		New Zealand	3 miles	12 miles	
Lesotho	No coast			Philippines			Waters within straight lines joining appropriate points of outermost islands of the archipelago are considered internal waters; waters between these baselines and the limits described in the Treaty of Paris, Dec. 10, 1898, the United States-Spain Treaty of Nov. 7, 1900, and United States-United Kingdom Treaty of Jan. 2, 1930, are considered to be the territorial sea.
Liberia	12 miles	12 miles					
Libya	do	do					
Malagasy Republic	do	do					
Malawi	No coast						
Mali	do						
Mauritania	12 miles	12 miles					
Morocco	3 miles	do	Exception 6 miles for Strait of Gibraltir.				
Niger	No coast						
Nigeria	12 miles	12 miles					
Rwanda	No coast						
Senegal	6 miles	6 miles	Plus 6 miles contiguous zone.				
Sierre Leone	12 miles	12 miles					
Somali Republic	do	do					
South Africa	6 miles	do					
Sudan	12 miles	do					
Tanzania	do	do					
The Gambia	3 miles	3 miles					
Togo	12 miles	12 miles					
Tunisia	6 miles	do	Territorial sea follows the 50-meter isobath for part of the coast (maximum 65 miles).				
				Singapore	Not available		
				Thailand	12 miles	12 miles	
				Vietnam	Not available	20 kilometers (10.8 miles).	

Country	Territorial sea	Fishing limits	Other	Country	Territorial sea	Fishing limits	Other
EUROPE				SOUTH AND CENTRAL AMERICA AND CARIBBEAN—Continued			
Albania.....	10 miles.....	12 miles.....		Cuba.....	do.....	3 miles.....	
Austria.....	No coast.....	do.....		Dominican Republic.....	do.....	15 miles.....	
Belgium.....	3 miles.....	12 miles ¹		Ecuador.....	200 miles.....	200 miles.....	
Bulgaria.....	12 miles.....	do.....		El Salvador.....	do.....	do.....	
Byelorussian S.S.R.....	No coast.....	do.....		Guatemala.....	12 miles.....	12 miles.....	
Czechoslovakia.....	do.....	do.....		Guyana.....	Not available.....	do.....	
Denmark.....	3 miles.....	12 miles ¹		Haiti.....	6 miles.....	6 miles.....	
Greenland.....	do.....	do.....		Honduras.....	12 miles.....	12 miles.....	
Faroe Islands.....	do.....	do.....		Jamaica.....	3 miles. Decision announced for 12 miles territorial sea.	do.....	
Federal Republic of Germany.....	3 miles.....	(?).....		Mexico.....	9 miles.....	12 miles.....	
Finland.....	4 miles.....	4 miles.....		Nicaragua.....	3 miles.....	200 miles.....	Continental Shelf, including sovereignty over superjacent waters.
France.....	3 miles.....	12 miles ¹					Do.
Greece.....	6 miles.....	6 miles.....		Panama.....	200 miles.....	do.....	
Holy See.....	No coast.....	do.....		Paraguay.....	No coast.....	do.....	
Hungary.....	do.....	do.....		Peru.....	200 miles.....	200 miles.....	
Iceland.....	Not available.....	12 miles.....		Trinidad and Tobago.....	3 miles.....	3 miles.....	
Ireland.....	3 miles.....	do. ¹		Uruguay.....	6 miles.....	12 miles.....	
Italy.....	6 miles.....	do. ¹		Venezuela.....	12 miles.....	do.....	
Luxembourg.....	No coast.....	(?).....		SOUTH ASIA AND NEAR EAST			
Malta.....	3 miles.....	3 miles.....		Afghanistan.....	No coast.....	do.....	
Monaco.....	Not available.....	do.....		Ceylon.....	6 miles.....	6 miles.....	Claims right to establish conservation zones within 100 nautical miles of the territorial sea.
Netherlands.....	3 miles.....	(?).....					
Norway.....	4 miles.....	12 miles.....		Cyprus.....	12 miles.....	12 miles.....	
Poland.....	3 miles.....	3 miles.....		India.....	6 miles.....	100 miles.....	
Portugal.....	No claims.....	12 miles ¹		Iran.....	12 miles.....	12 miles.....	
Romania.....	12 miles.....	do.....		Iraq.....	do.....	do.....	
Spain.....	6 miles.....	do. ¹		Israel.....	6 miles.....	6 miles.....	
Sweden.....	4 miles.....	do. ¹		Jordan.....	3 miles.....	3 miles.....	
Switzerland.....	No coast.....	do.....		Kuwait.....	12 miles.....	12 miles.....	
Ukrainian S.S.R.....	12 miles.....	12 miles.....		Lebanon.....	Not available.....	6 miles.....	
U.S.S.R.....	do.....	do.....		Maldives Islands.....	do.....	do.....	
United Kingdom.....	3 miles.....	do. ¹		Nepal.....	No coast.....	do.....	
Oversea areas.....	do.....	3 miles.....		Pakistan.....	12 miles.....	12 miles.....	Plus right to establish 100-mile conservation zones.
Yugoslavia.....	10 miles.....	10 miles.....		Saudi Arabia.....	do.....	do.....	
NORTH AMERICA				Syria.....	do.....	do.....	Plus 6 miles "necessary supervision zone."
Canada.....	3 miles.....	12 miles.....		Turkey.....	6 miles.....	do.....	
United States.....	do.....	do.....		Yemen.....	12 miles.....	do.....	
SOUTH AND CENTRAL AMERICA AND CARIBBEAN							
Argentina (Dec. 29, 1966).....	200 miles.....	200 miles.....	Continental Shelf, including sovereignty over superjacent waters.				
Barbados.....	Not available.....	do.....					
Bolivia.....	No coast.....	do.....					
Brazil.....	6 miles.....	12 miles.....					
Chile.....	50 kilometers.....	200 miles.....					
Colombia.....	6 miles.....	12 miles.....					
Costa Rica.....	3 miles.....	do.....	"Specialized competence" over living resources to 200 miles.				

¹ Parties to the European Fisheries Convention which provides for the right to establish 3 miles exclusive fishing zone seaward of 3-mile territorial sea plus additional 6-mile fishing zone restricted to the convention nations.

² Signatories of the European Fisheries Convention.

EXHIBIT 2

SOVIET AGI HARASSMENTS

1. Vega incident—AGI *Vega* nearly collided with a U.S. destroyer off of Long Island when the Soviet vessel attempted to recover a Polaris exercise missile which had been fired by the FBM submarine *George Washington*.
2. Fall of 1961, AGI's monitored the North American Air Defense Command's Skyshield II exercises.
3. 7 February 1965—AGI *Vertikal* approached the USNS survey ship *Dutton* from astern while the *Dutton* was engaged in oceanographic survey. *Vertikal* came within 75 feet and purposely severed *Dutton's* magnetometer cable.
4. 20 May 1965—AGI *Reduktor* turned toward and closed the FBM submarine USS *Andrew Jackson* when she was returning to port. *Reduktor* passed down *Jackson's* starboard side at 150 yards then fell in astern and followed at 500 yards for 5 minutes. She then increased speed and passed up *Jackson's* port side.
5. December 1965—AGI *Gidrofón* was involved in six separate harassing incidents against U.S. naval units operating off Vietnam in the South China Sea. Harassing tactics were employed against carriers involved in flight operations, units alongside and replenishing underway, and ships involved in submarine exercises. These gross actions resulted in a stiff note of protest to the Soviet Government from the U.S. Government.
6. In February 1966 the AGI *Reptier* monitored the U.S. amphibious exercise held at Vieques Island.
7. In April 1966 the AGI *Ekholot* took sta-

tion on the carrier *Independence* while it was conducting flight operations and was able to observe and monitor a complete aircraft launch and recovery sequence. Two months later, in June, the *Ekholot* trailed and monitored the amphibious task group participating in Exercise Beach Time while enroute to the Vieques exercise area. The *Ekholot* even managed to pass through the entire formation.

8. 24 June 1966—Soviet AGI *Anemometr* forced a collision with USS *Banner* (AGER) while harassing *Banner* in the Sea of Japan.

9. 18 December 1967—Soviet AGI *Gidrofón* caused a collision with USS *Abnaki* which was shielding a US aircraft carrier from *Gidrofón's* attempts to cut across the carrier's bow. This took place in the Gulf of Tonkin.

Such activities are highly dangerous to both ships and personnel; they evidence poor seamanship and a flagrant disregard for the International Provisions for Prevention of Collision at Sea (Rules of the Road). United States naval ships have been directed to adhere to these rules and strictly comply with them in any encounter with Soviet AGIs. The rights and privileges of the AGIs have been scrupulously observed.

THE U.S. COMMITMENT TO NATO

Mr. MANSFIELD. Mr. President, two well-known New York Times columnists have recently written perceptive articles on some effects Britain's decision to withdraw from east of Suez may have

on the NATO alliance in general and on the commitment of six U.S. divisions to NATO in particular. I ask unanimous consent that the article entitled "Washington: The Trend of Power in the Pacific," written by James Reston, and published in the New York Times of January 17, and the article entitled "Foreign Affairs: A New Look at NATO," written by C. L. Sulzberger, and published in the New York Times of January 24, be printed in the Record at the conclusion of my remarks.

Both writers assume that the United States will play a major part in filling a gap that will be created by the British withdrawal east of Suez. While I question whether this alleged gap may not be more illusory than real, and while I hope that the United States will proceed most cautiously before assuming any new commitments, nevertheless it is undoubtedly true that the British withdrawal will mean additional pressure on our military resources in terms of both men and money.

I invite attention to several paragraphs Mr. Reston has written:

The United States now has five divisions plus two brigades in Western Europe, or about 235,000 men plus their families which add considerably to Washington's balance-of-payments problem. There is not likely to be any sudden withdrawal of any large

part of the American forces from Germany, but as the big C-5A transport aircraft come into production in the next few years the capacity of the U.S. to move power quickly to any part of the world from a central reserve will increase substantially. Then, if not before, it may be practical to talk of redeploying at least two U.S. divisions now in Europe.

Mr. Sulzberger has commented:

It was inevitable that the U.S. garrison in Germany should shrink, but the process will now presumably move at a faster pace. And since General Lemnitzer's forces are already 25 per cent smaller than what had originally been considered a healthy minimum, the ultimate effect on the alliance can be imagined. By going Europe first in policy emphasis, Britain has pushed the U.S.A. into going Asia first.

Mr. Sulzberger also urges that when General Lemnitzer retires, a European commander in chief be appointed to command NATO's forces because since our presence inside NATO is going to be diluted—and I would add to Mr. Sulzberger's comment my own view that it should be diluted. He concluded:

We should be the first to propose that Europe's importance in the alliance hierarchy must now be increased.

THE PRESIDING OFFICER. Is there objection to the request of the Senator from Montana?

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the New York Times, Jan. 17, 1968]

WASHINGTON: THE TREND OF POWER IN THE PACIFIC

(By James Reston)

WASHINGTON, January 16.—Britain's decision to cut its defense budget and speed up its withdrawal from Asia is almost certain to reduce America's forces in Europe and increase Washington's responsibilities in the Indian Ocean and the Pacific.

President Johnson and Secretary of Defense McNamara have been trying to avoid this prospect for years. In fact they have been urging Britain to pursue a policy east of Suez it could not afford, and the latest British financial crisis has merely hurried along what was probably an inevitable process of retrenchment.

MONEY AND POWER

Historically and psychologically, it is a sad moment, but economically it may be a good thing. As long as Britain remained at Singapore, the United States didn't feel quite so lonesome, but the British forces there were more important as a symbol than as a military reality, and in the end it will probably be better to have Britain strong economically at home than pretending to be a world power in Asia.

Of course, officials here are saying, as they usually do when the British retreat from old imperial responsibilities, that the United States is not going to fill the vacuum, and in the present mood of retrenchment in Washington, this is good politics. But it is probably bad strategy, and regardless of what is being said publicly here for the moment, privately officials are already talking about a redeployment of American forces from Europe to Asia.

AMERICA IN EUROPE

The United States now has five divisions plus two brigades in Western Europe, or about 235,000 men plus their families, which add considerably to Washington's balance of payments problem. There is not likely to be any sudden withdrawal of any large part of the American forces from Germany, but as

the big C-5A transport aircraft come into production in the next few years the capacity of the U.S. to move power quickly to any part of the world from a central reserve will increase substantially. Then, if not before, it may be practical to talk of redeploying at least two U.S. divisions now in Europe.

Meanwhile, Washington is now having more trouble than is generally realized in coming to a satisfactory arrangement with Spain over the future of U.S. bases in that country. Generalissimo Franco is unhappy over Washington's failure to back him in his dispute with the British over the future of Gibraltar, and the Treasury here is unhappy with the effect of those bases on its balance of payments. So there may be another adjustment of forces and finances there.

This does not mean that the United States is likely to take over from the British in Singapore and Malaysia. The rising political cry here is that the U.S. is already overextended and overcommitted, but Washington will now be hearing more from Mr. Lee Kuan Yew, the Prime Minister of Singapore, about a "NATO-type arrangement" for the defense of Southeast Asia. And more attention is now likely to be paid to the development of stronger collective security arrangements among the United States, Australia, New Zealand, the Philippines and, hopefully, Japan.

IN THE INDIAN OCEAN

For some time, anticipating the ultimate withdrawal of the British from that part of the world, officials here have been talking about establishing a naval squadron from the Seventh Fleet in the Indian Ocean, and again, as longer-range aircraft become available, new strategic concepts for the defense of this vast area from the Indian subcontinent to Japan are likely to involve the United States more and more as a Pacific power.

For the time being, however, Washington is more concerned about the immediate trends toward restrictionism than it is in the longer-range trends toward the redeployment of U.S. power toward the Pacific.

Great efforts were made here to persuade the British Foreign Minister, George Brown, that Britain could, with our help, deal with her financial crisis and still not cancel the F-111 aircraft contract or pull out of Singapore and Malaysia. The efforts failed on political and psychological as well as financial grounds, for it seemed hard to impose austerity on the British people at home while keeping up the pretense of military strength east of Suez.

The state of the alliance, in short, is not good and is getting worse. Collective security gives way to financial security in the crisis, and the result, as usual, is that more and more of the burden falls on the United States precisely at the moment when that burden is becoming a political issue with the American people.

[From the New York Times, Jan. 24, 1968]

FOREIGN AFFAIRS: A NEW LOOK AT NATO

(By C. L. Sulzberger)

PARIS.—When Britain decided to tailor defenses to its purse, Asian commitments were sacrificed to European commitments. On the surface this would seem a favorable development for NATO, which has been in the market for favorable developments ever since De Gaulle withdrew France from the alliance organization and kicked its headquarters out.

Nevertheless, NATO is going to suffer in the long run. To fill the eastern gap (between Arabia and Singapore) opened by British departure, the U.S.A. is obviously going to have to step in.

PLUS AND MINUS

Furthermore, it is plain that to finance such a move we will end up by accelerating withdrawals of men and material from NATO, withdrawals that have already begun.

The ultimate reduction in American forces almost certainly will be more important, negatively, than Britain's positive decision to keep troops in Germany.

It was inevitable that the U.S. garrison in Germany should shrink, but the process will now presumably move at a faster pace. And since General Lemnitzer's forces are already 25 per cent smaller than what had originally been considered a healthy minimum, the ultimate effect on the alliance can be imagined. By going Europe first in policy emphasis, Britain has pushed the U.S.A. into going Asia first.

The ultimate implications are not difficult to perceive. Militarily NATO is in the paradoxical position of just having changed its official strategy from "massive retaliation" to "flexible response." Theoretically this means a Soviet thrust westward would initially be met by conventional forces. However, since there aren't enough conventional forces now and soon there will be less, the generals are forced to plan in terms of massive retaliation, whatever allied statesmen think.

Politically, the implications are more complicated. NATO in reality is an alliance against Russia, the greatest potential enemy, and also against West Germany, the most powerful European member. This is an inherent paradox and weakness. It will be underscored in the inescapable crisis that must eventually be caused by shrinkage of U.S. contributions.

The relative power of Germany within the alliance must increase as the American presence diminishes. Neither France, which has a small nuclear force but only two divisions half-heartedly assigned to NATO, nor Britain can offset Bonn's twelve divisions. Thus the German role and inevitably the German voice inside NATO are bound to rise, and this will excite Soviet suspicions because, of all the allies, Moscow suspects Germany most.

Thus two contradictions, neither of them helpful, arise. By going Europe first and theoretically bolstering NATO, Britain incites us to go Asia first, factually weakening NATO. At the same time, as the alliance gets weaker it will incur greater hostility from its principal opponent, Russia. For the restraining influences woven around Germany since it began to rearm are less effective—as the Russians know.

DENUCLEARIZATION

Another trend is the alliance's gradual denuclearization. Although France continues to develop its small atomic force it has not committed this to NATO, while Britain is on the way out as a nuclear power. The U.S.A. has removed the nuclear capacity from several West German aircraft and is likely to refuse it to their replacements.

The alliance is changing so much—as has the world for which it was conceived—that it is time to acknowledge this by formal alterations. The first should be the appointment, when Lemnitzer retires, of a European commander in chief. Since France is only a kind of associate member and Germany is number one on Moscow's hate list, this new commander should be British.

Every NATO commander has been American so far, but as long ago as 1952, when Eisenhower retired, the idea of a European successor was contemplated. Even then Eisenhower's chief of staff and ultimate successor, General Gruenther, thought a European could handle the job effectively provided an American deputy supervised secret nuclear problems in accordance with U.S. Congressional restrictions. If Gruenther thought this possible then, it is clearly even more possible now.

The revolution inside NATO begun by De Gaulle has been stepped up because of Britain's policy shift and its evident repercussions. Our presence inside NATO is going to be diluted; therefore we should be the first to propose that Europe's importance in the alliance hierarchy must now be increased.

THE ANTI-ANTI-WAR DEMONSTRATOR RETURNS HOME

Mr. HOLLINGS. Mr. President, on Sunday, January 28, the Orangeburg, S.C., Times and Democrat, one of my State's finest newspapers, published an article entitled "That Anti-Anti-War Demonstrator Is Home," written by Mr. John Faust.

The subject of the article is Sp5c. Henry Harmon, of Orangeburg, who has recently returned from Vietnam. Last December, Specialist 5 Harmon sent a letter to the Times and Democrat, requesting that Santa Claus send him an anti-Vietnam demonstrator for Christmas.

When queried as to his reason, he replied:

We, the men in my outfit, Headquarters Battery, 5th Artillery, 1st Infantry Division, figured the people back home just didn't realize what was being fought in Vietnam. So, I sat down and wrote the letter.

Subsequently, Harmon's commanding officer called a formation and read the letter to all the troops as a morale talk for Christmas. But according to Specialist 5 Harmon:

We really didn't need it because everybody's morale was always high over there.

Harmon was a student at South Carolina State College, majoring in architecture when he volunteered for the Army. He did it because he "thought it was the right thing to do for my folks and country."

Specialist 5 Harmon is typical of South Carolina's young men and I join the people of my State in thanking him for a job well done. I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE ANTI-ANTI-WAR DEMONSTRATOR IS HOME (By John Faust)

Specialist Fifth Class Henry Harmon is home from Vietnam. He didn't get the Christmas present he asked for but he got home safe and sound.

SP5 Harmon sent a letter to The Times and Democrat last December requesting Santa Claus send him an anti-Vietnam war demonstrator for his very own. The son of Mr. and Mrs. Henry Harmon Sr. of Route 5, Orangeburg, has returned from Vietnam January 23.

Asked why he had written the letter he sent home, Harmon replied, "Well, we'd been reading all the newspaper stories about demonstrators back home and we were pretty mad."

"We the men in my outfit, Headquarters Battery, 5th Artillery, 1st Infantry Division, figured the people back home just didn't realize what was being fought in Vietnam. So, I sat down and wrote the letter."

"The guys liked it so much that we ran off copies on a stencil and passed them around," he went on to say. "Everybody got quite a kick out of it, including my commanding officer."

Harmon's commander called a formation and read the letter to the company. "It was a morale talk for Christmas," said Harmon, "but we really didn't need it because everybody's morale was always high over there."

Harmon joined the U.S. Army a year and six months ago. He was a student at S.C. State College in Orangeburg at the time, majoring in architecture and minoring in math. "I just thought it was the right thing to do for my folks and country," he said when queried about his reasons.

Harmon does not talk much about his tour of duty in Vietnam. But his 201 file tells a lot. He was awarded the Bronze Star for service with the Bronze Star Cluster for the Vietnam campaign medal for operation Counter Mortar, Phase II; the Army Commendation Medal for achievement and the Air Medal for combat assault support.

"I went to Vietnam in 1967 as a private," he said, "was made PFC after a week, promoted to Specialist Fourth Class four months later and then five months later was made Specialist Fifth Class."

At present Harmon is home on 45 days leave. The first thing he did when he arrived home was to take his mother shopping in Orangeburg and let her buy anything her heart desired. He also did the same for the rest of the family.

"It was," he said smiling, "my late Christmas present to them." Harmon's mother just said that she "thanked God for letting him come home without being injured."

He expects to be posted to Fort Jackson as an instructor in personnel specialist training and serve out his time there. After separation, Harmon says he will possibly take one of two courses: achieve a civil service status and remain at Fort Jackson teaching personnel specialist groups or return to S.C. State College and finish his education under the G.I. Bill.

Would he go back to Vietnam? "If I had to make the tour again," said Harmon slowly after a moment's consideration, "I would do it again with no hesitation. I realize that the American fighting man is fighting for God and country and a way of life. I'm willing to give my life for my God and country."

It's just too bad Henry Harmon didn't get his Christmas present while he was in Vietnam. He'd have had such fun showing one of the "flower children" how a real American puts his money where his mouth is.

At any rate, welcome home, Henry Harmon. Orangeburg is proud to call you "friend and neighbor."

ASIAN PROPOSAL TO END WAR IN VIETNAM

Mr. HATFIELD. Mr. President, I have often stated that an Asian solution to the Asian problem of Vietnam should be earnestly sought. Therefore, I was pleased to read an article entitled "Saigon Group Proposes Vote With Liberation Front Taking Part," written by Charles Mohr, and published in the New York Times of January 15, 1968. The article referred to a new proposal for a negotiated end to the war in Vietnam which had been put forth anonymously by a group of South Vietnamese professors, lawyers, and other intellectuals.

The group's paper states that "negotiation to find a political solution" is the only path that seems feasible to end the war. The proposal calls for the South Vietnamese Government to recognize the Liberation Front and allow the front to govern part of the country in the period of time between a cease-fire and a general election.

I do not necessarily agree with all the elements of this group's proposal, but it seems important to me that the proposal be made available for public scrutiny and consideration.

The proposal was sent to me by a distinguished and concerned individual with the request that it be published in the RECORD.

I ask unanimous consent to have printed in the RECORD both the New York Times article and the Asian pro-

posal for a solution to the Vietnam conflict.

There being no objection, the items were ordered to be printed in the RECORD, as follows:

[From the New York Times, Jan. 15, 1968]
SAIGON GROUP PROPOSES VOTE WITH LIBERATION FRONT TAKING PART

(By Charles Mohr)

SAIGON, SOUTH VIETNAM, January 14.—A new proposal to end the war in Vietnam through negotiations has been put forth anonymously by a group of South Vietnamese professors, lawyers and other intellectuals.

In a manifesto entitled "How to End the War in Vietnam," the group suggests that the eventual solution to the problem of South Vietnam be decided by an election in which the National Liberation Front would be free to compete.

Although some of the authors are prominent figures in Saigon, they did not sign the paper because they said that they feared that the South Vietnamese Government would take action against them.

One of the group said today that within a few weeks they hoped to be able to put their ideas before Pope Paul VI, the United States Administration and officials of the National Liberation Front in Paris.

NEGOTIATION ONLY PATH

The group's paper said that "negotiation to find a political solution" was the only path that seemed feasible to end the war. They argued that the allies' side did "not have the capability" to destroy the Liberation Front and its guerrilla military forces, the Vietcong, and that the Vietcong "do not possess enough power" to win militarily either.

The most controversial part of their proposal calls for the South Vietnamese Government to recognize the Liberation Front and allow the front to govern part of the country in the period of time between a cease-fire and a general election.

The paper said that other proposals for negotiations could not succeed because they showed a "lack of realism" about the real situation in Vietnam.

"It is an undeniable fact that the N.L.F. is being controlled by Hanoi through the Communist party," the proposal said.

However, it added: "It is also obvious that the composition of the N.L.F. is quite complex; a great number of the followers are not Communist. It is hopeful that these elements can be separated from the Communist ranks if they would see a righteous and decent administration."

N.L.F. A REAL ENTITY

"In practice the N.L.F. is a real entity," the paper said. "The front controls some areas, some peoples, possesses an effective administrative and military organization."

The authors of the statement represent one body of left-of-center opinion in Saigon's educated elite. A sizable body of their fellow citizens are much more hawkish and are opposed to any accommodation with the front, if only on the ground that the present social, economic and political system in South Vietnam works to their interest.

The peace proposal has not appeared in the local press.

It is likely to get a cool or hostile reception from the South Vietnamese Government. Although President Nguyen Van Thieu has promised to propose negotiations with Hanoi, he and other officials have refused to recognize the liberation front or to deal with it as a party or quasi government.

Earlier this week the South Vietnamese Council of Roman Catholic Bishops issued a statement calling on North and South Vietnam to negotiate an end to the war.

"Most people are afraid to express their true feelings openly," said one Vietnamese

intellectual today, "but you can be sure that everyone is thinking about negotiations."

MOST ARE SILENT

The vast body of less educated, less articulate South Vietnamese have been essentially mute. When peasants stage anti-war protests, as they do occasionally, they are always accused of being manipulated by Vietcong agents, which is often the case.

Informed observers of Vietnam, however, believe that war-weariness is increasing.

The group's manifesto calls for a complex series of steps to end the war and reach an eventual solution to the Vietnam problem.

As a first stage, they said, the United States should stop the bombing of North Vietnam and Hanoi should stop sending "troops and arms to South Vietnam."

A cease-fire should be negotiated in the South, the paper said, adding that areas under the control of each side should be designated. "Contested" areas should be put under "joint surveillance," it added.

The group proposed that an international conference of interested powers then set a date for an election in South Vietnam and arrange to supervise it.

Until the election "the area controlled by each side will live in its own peaceful and separate way of life," and the Government and the liberation front would form a "joint political committee" to conduct the election.

One of the members said in an interview that "there has been much talk of a coalition government but a coalition violates the principles of democracy because the membership of the Government is reached by negotiation, not by popular will."

HOW TO END THE WAR IN VIETNAM

In a democracy, every citizen has the right and the duty to advance constructive ideas on all important matters concerning the future of the nation.

With the new Mau-Than spring round the corner, and facing the present situation, we are proposing—with all good intent and good will—a Vietnamese solution to resolve a Vietnamese problem. This solution aims at safeguarding the long-term interest of the people and nation of Viet Nam. For this very reason, it is based on two fundamental elements: the respect for national sovereignty and the exercise of the right of self-determination.

I. THE SOLUTIONS TO END THE WAR

There are five solutions:

1. The communists pull their troops back to North Viet-Nam.
2. The Americans pull their troops out from South Viet-Nam.
3. The communists kick the Americans out of Viet-Nam.
4. The United States and the Republic of Viet Nam wipe out the National Liberation Front (NLF).
5. Negotiation to find a political solution.

The first solution seems too naive because the majority of the followers in the NLF are Southerners; they cannot go back to North Viet Nam.

The second solution lacks realism because the Americans cannot surrender.

The third solution lacks realism because the communists do not possess enough power.

The fourth solution is far from being realistic because the United States and the Republic of Viet Nam do not have the capability to do so, in a limited war.

The fifth solution remains the only one which seems most feasible.

An early negotiation will help to cut down destruction on both sides and avoid further bloodshed and killing.

II. PREVIOUS FAILURES OF NEGOTIATION PROPOSALS

Proposals for negotiation have been made by the United States, United Kingdom, France, Canada, India, the Secretary Gen-

eral of the United Nations U Thant, and the communists, etc. . . .

The reasons leading to failure are:

Some maintain that North Viet Nam does not wish to negotiate (belief in sure victory, Communist China influence etc.).

Others believe that the United States does not want a negotiation because of political (to challenge Red China) economic (trade and economy in war-time) and military motives (trying out new tactics, new weapons).

The main reasons were the lack of realism in the proposals, the vagueness of the principles put forth which are not soundly based on the practical aspects of the Vietnamese dilemma (the nature of the NLF, the role of Hanoi, Peking and Russia; the position of the Republic of Viet Nam etc. . . .).

To make things worse, both sides suspect each others' sincerity:

a) The communists have learned by experience the agreement with the West (Agreement of March 6, 1946; modus vivendi of September 14 with France; Geneva agreement in 1954). They have seen the antagonism between what has been said and what has been done (the landing in Tonkin, the application of the Geneva Agreement).

b) The Republic of Viet Nam and the Allies still remember the experience with the communists in Czechoslovakia, Rumania, Viet Nam (1946) Geneva conferences (1954, 1962).

Therefore, the road to negotiation must be:

—paved with realistic proposals on the basic issues: the role of the NLF, the value of the Geneva Agreement, the future status of South Viet Nam, the cease-fire, the pull-out of foreign troops, the guarantee of the agreements etc. . . .

—built in a peaceful atmosphere and a minimum of trust (the United States stops the bombing, both sides stop bringing in more troops and arms, both sides stop the propaganda war to blame each other over the radio, exchange of POW's . . .)

III. THE PRINCIPLES SERVING AS BASES FOR A NEGOTIATION

To be successful, any agreement must include three considerations involving:

1. The Republic of Viet Nam and the NLF
2. The Republic of Viet Nam and the Democratic Republic of Viet Nam
3. The big powers (the United States, Russia, Communist China, etc. . . .)

1. Negotiation between the Republic of Viet Nam and the NLF.

It is an undeniable fact that the NLF is being controlled by Hanoi through the Communist Party (the Labor party of North Viet Nam—the People's Revolution Party) and its policy.

It is also obvious that:

a) the composition of the NLF is quite complex; a great number of the followers are not communist: non-communist resistance fighters, Cao daists, Hoa-Hao members and those who were dissatisfied with the Ngo Dinh Diem regime and subsequent administrations. It is hopeful that these elements can be separated from the communist ranks if they would see a righteous and decent administration.

b) the NLF is not entirely dependent on North Viet Nam because Southerners still remember the North Viet Nam's policy toward the Resistance Movement when the March 6, 1946 agreement was signed; certain returnees from North Viet Nam were disillusioned with the regime there.

The policy of the NLF with regards to the unification with North Viet Nam and the socialist regime there—granted that it is being dressed up as a camouflage—does reflect to some extent their genuine policy.

c) In practice, the NLF is a real entity. The Front controls some areas, some peoples, possesses an effective administrative and military organization.

The problem to resolve is how to unify the

statutes, administrative and military organizations of both areas. This integration must be broad, deep and sound, unlike that in Laos in 1962 where it was only an appearance without real substance and therefore ineffective. This integration must be so conceived and implemented as not to bring wolves into the chicken pen, to contaminate the sick body of the South with communist viruses.

To avoid those consequences, the Republic of Viet Nam must reorganize its ranks, rebuild the solid foundations (administration, armed forces, major parties) to enable conservative as well as progressive and revolutionary elements to fight the political war effectively and to ensure a genuine democracy.

2. Negotiation between Saigon and Hanoi.

Some portions in the text of the Geneva Agreements (1954) can be used.

Whatever is said, those texts still can provide certain elements for a peace solution, especially for a cease-fire, a control of cease-fire, and the unification of both sides.

The basis for a peace talk between the two sides is to reestablish the normal relations between the two: postal exchange, visit, economic and cultural exchange to create a peaceful coexistence pending the unification of the nation and people.

The unification can be reached through several stages with meetings between the two administrations which can go on for years.

3. Negotiation between the big powers.

The big powers particularly the United States, Russia, Communist China, United Kingdom and France will ensure the implementation of all signed agreements.

Both sides will pledge to stand outside any military alliance and to forbid permanent foreign military bases on its soil.

The big powers will agree themselves on the procedures to safeguard the independence of both countries.

The case of the status of Cambodia as stipulated by the Geneva Agreement can be reapplied (Cambodia can call upon any friendly country for help in case of menace). In his April 7, 1965 declaration President Johnson has mentioned this subject.

An economic aid program can be established (to include North Viet Nam) to help both sides (or even the whole Indochina) rebuild their countries.

IV. THE STAGES LEADING TO PEACE

Stage 1. Preparation.

Sounding out and exchanging ideas with Hanoi, Russia, China, NLF then proposing secretly:

a) the United States and the Republic of Viet Nam stop the bombing, cease the inflow of troops and arms into South Viet Nam.

b) Hanoi stops sending troops and arms to South Viet Nam.

Friendly countries will act as intermediary to guarantee the promise from both sides and transmit proposals for peace solution from both sides.

Each country shall appoint its own guarantors. Afro-Asian countries should be selected for the purpose. For instance, South Viet Nam and the United States can choose Japan, India, Canada, Tunisia, Ethiopia and Indonesia; the NLF and North Viet Nam can choose Poland, Algeria, Cuba, Czechoslovakia, Rumania etc. . . .

Formal proposals for negotiation can only be advanced once the basis for negotiations are accepted by both sides.

Stage 2. Cease-fire.

When both sides refrain from bombing and sending troops and arms to South Viet Nam, the International Control Commission (enhanced by representatives from guaranteeing nations, by representatives from Hanoi, Saigon, the NLF, the Allies) will control the suspension of the bombing and infiltration of men and arms to South Viet Nam.

Simultaneously, negotiations on the cease-

fire in South Viet Nam must be opened. This meeting should include the General Staff of the Allied Forces, of the ARVN, the NLF and of the Democratic Republic of Viet Nam. Areas under the control of each side should be marked out on the map. Contested areas must be disarmed and put under a joint surveillance.

Once the cease-fire agreement is signed, mobile units will be created to patrol the cease-fire and settle on the spot all disputes. These mobile units will operate under the enlarged ICC.

Stage 3. Peace Conference.

This conference will be general in nature to include the nations involved in the Viet Nam war (North Viet Nam NLF, South Viet Nam, United States and those countries which guarantee the cease-fire).

This conference will study the political and military situation.

a) Unification of the administrative and military organizations of the Republic of Viet Nam and the NLF.

b) Relations between North and South Viet Nam; the normalization of the relations between the two; principle on a unification plan.

c) Pull out of foreign troops from South Viet Nam and reduction of men under arm in both sides.

d) International guarantee of all agreements.

e) Aid to both sides.

V. A CONCRETE POSITION

a) *The unification of the NLF and the Republic of Viet Nam*

As a matter of self-determination principle, this will be worked out by a Government elected by the people of South Viet Nam by a general election at a time decided by the Conference.

Within this time:

The area controlled by each side will live in its own peaceful and separate way of life.

The Government of the Republic of Viet Nam and the NLF will appoint a Joint Political Committee to study the improvement of the relations between two areas and to settle all disputes, if any, particularly:

1) to prepare the unification of administrative, economic and social organizations of South Viet Nam.

2) to prepare a general election leading to a Government elected by the people of South Viet Nam.

The election will be placed under the control of the Political Committee with observers from nations participating in the Peace Conference and the United Nations. All parties (including NLF) will be free to act in all areas (areas controlled by both sides as well as the contested areas).

b) *Unification of North and South Viet Nam*

This matter can take 10, 15 or 20 years to be resolved.

Generally speaking, the timetable will be something like this:

Stage 1: Normalization of the relations between the two sides as regards to visits, postal, cultural and economic exchanges.

Stage 2: Establishment of a common economic program for both sides, each to implement its own.

Stage 3: Establishment of economic, monetary and customs alliances.

The duration of each stage will depend on the good will of each side. The political unification will be decided in the final stage by a referendum separate for each side. Right at the outset, each side should be considered as an independent nation with representatives in the United Nations.

c) *The pullout of foreign troops and the reduction of arms on both sides*

The pullout of Allied troops and North Vietnamese troops will be realized gradually, within the period fixed by the Peace Conference, under the control of the ICC.

Armed Forces on both sides will be re-

duced in number of men as well as in quantity of arms. Both sides pledge not to participate in any military bloc and reserve the right to call on other nations (guarantors) to intervene in case of flagrant violations of the agreement.

d) *The guarantee of the agreements*

Either by: the United Nations Organization or by: the nations participating in the Peace Conference (the whole Conference or individual member nation).

The guarantee can be implemented according to the procedures of Locarno treaty which provided that any participating and signatory power can intervene in case of violations of the agreement and upon the request of any side.

e) Powers regardless of adherence to any bloc can provide aid to both Viet Nams (or the Indochina regime) for economic development.

Salgo the 10th of January, 1968.

REGULATION OF SURFACE MINING OPERATIONS

Mr. LAUSCHE. Mr. President, I am gratified to read in the President's budget message, delivered on Monday, that he specifically recommends that the Congress enact legislation to establish a Federal-State system for the regulation of surface mining operations.

I have had a bill—S. 217—pending before the Committee on Interior and Insular Affairs on this subject since January 12, 1967. I am indeed hopeful that this signal by the President will be a green light and that the committee will begin hearings on my bill immediately.

The seriousness of uncontrolled and unregulated strip mining to our Nation's economy and the welfare of the citizenry of many affected areas is well publicized in an article in the January 12, 1968, edition of Life magazine and in a series of articles appearing recently in Outdoor Life, a leading conservation magazine.

I am certainly glad that the President recognizes the seriousness of these conditions.

Mr. President, you will recall that last July 3, the President in a message transmitted to Congress the report of the Secretary of Interior resulting from the national study of strip and surface mining. In his message of transmittal, the President said, in part:

The report contains constructive suggestions as to what better practices might be implemented with current surface mining. It points out that such preventive measures are usually only a fraction as costly as subsequent land treatment.

The Federal Government must put its own house in order—so that its land stewardship will be an example to others.

This report is a major step forward in our understanding of the problems caused by surface mining. It outlines many constructive actions that can be taken by mining operators, by the States, and by the Federal Government. I believe it warrants careful study and consideration by all of these parties in order to minimize any future damage to our environment.

I point out that my bill—S. 217—embodies practically all of the important recommendations contained in the report.

I see no need for further delay. Congress should address itself immediately to this most important domestic problem. Even with immediate action by Congress, many more thousands of acres of land

will have been laid in waste before a law can be implemented.

DEFENSE SPENDING CONTINUES TO DECLINE—NO ECONOMIC STIMULATION HERE

Mr. PROXMIRE. Mr. President, based on the January selected economic indicators, there continues to be no evidence of any major increase in military demand for goods and services. Indeed, data for the fourth quarter of 1967 indicate lower military prime contract awards and lower net expenditures than in the third quarter.

Military prime contract awards for the fourth quarter were 4.6 percent below the third quarter level and only 3.1 percent above the level in the fourth quarter of 1966.

Net expenditures for the fourth quarter were 3.4 percent below the third-quarter level and about 12.2 percent above the level in the fourth quarter of 1966.

Military manpower strength has been approximately constant during the last few months for which data are available. The number in the military was 3.4 million in November, and 1.3 million civilians were employed by the Department of Defense.

I ask unanimous consent that the January report of the Department of Defense on selected economic indicators be printed in the RECORD.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

SELECTED ECONOMIC INDICATORS

(NOTE.—The attached table and chart [chart not printed in RECORD] show selected financial and employment data related to the impact of Defense programs on the economy. The data reflected in the table cover seven major subject areas, beginning with the first quarter of calendar year 1966 and continuing through the latest month for which information is available. The chart covers three areas—obligations, expenditures and contracts—by quarter year. Explanations of the terms used are also attached.)

EXPLANATIONS OF THE TERMS USED

I. *Military Prime Contract Award:* A legally binding instrument executed by a military department or Department of Defense Agency (DOD component) to obtain equipment, supplies, research and development, services or construction. Both new instruments and modifications or cancellations of instruments are included; however, modifications of less than \$10,000 each are not included.

The series includes awards made by DOD components on behalf of other Federal agencies (e.g., National Aeronautics and Space Administration), and on behalf of foreign governments under both military assistance grant aid and sales arrangements. It also includes orders written by DOD components requesting a non-Defense Federal agency to furnish supplies or services from its stocks (e.g., General Services Administration stores depots), from in-house manufacturing facilities (e.g., Atomic Energy Commission), or from contracts executed by that federal agency.

The series does not include awards paid from post exchange or similar non-appropriated funds, nor does it include contracts for civil functions, such as flood control or river and harbors work performed by the Army Corps of Engineers. Project orders is-

sued to Defense owned-and-operated establishments, such as shipyards and arsenals, are not included, but contracts executed by such establishments are.

The distribution by broad commodity group includes only contracts which are to be performed within the United States or its possessions. Each commodity group includes not only the indicated end item, but also associated components and spare parts, research and development, and maintenance or rebuild work. Electronics and Communications includes only such equipment and supplies as are separately procured by DOD components. Electronics procured by an aircraft prime contractor is reported as Aircraft. Other Hard Goods contains tank-automotive, transportation, production, medical and dental, photographic, materials handling, and miscellaneous equipment and supplies. Soft Goods includes fuels, subsistence, textiles and clothing. All other contains services (e.g., transportation) and all new contracts or purchase orders of less than \$10,000 each. Commodity identification is not available for these small purchases.

Work done outside the United States refers to the location where the work will be physically performed. About 55-60% of this work is awarded to U.S. business firms, but a lesser percentage of the contract dollars in this category directly impacts on the U.S. economy.

II. Gross Obligations Incurred: Total

amounts recorded in official accounting records of the military departments and Defense Agencies from source documents such as signed contracts or any instrument which legally binds the government to payment of funds. Present coverage extends only to general fund accounts; obligations incurred in revolving funds are excluded. Included, and double-counted, are obligations which are recorded first when an order is placed by one appropriation upon another appropriation, and second when the latter appropriation executes an obligation for material or services with a private supplier. This duplication averages about 8% of gross obligations.

a. *Operations*: The Military Personnel appropriation and Operation and Maintenance appropriation of the Department of Defense.

b. *Procurement*: The Procurement appropriation.

c. *Other*: The RDT&E, Military Construction, Family Housing, Civil Defense, and Military Assistance appropriations.

III. *Gross Unpaid Obligations Outstanding*: Obligations incurred by the Department of Defense for which it has not yet expended funds. Present coverage extends only to general fund accounts; obligations in revolving funds are excluded.

IV. *Net Expenditures*: Gross payments less collections by the military departments and Defense Agencies, including revolving funds and Military Assistance. Payments represent checks issued.

V. *DOD Personal Compensation*: Wages and salaries earned by personnel employed by the Department of Defense. Military compensation represents pay and allowances to active duty personnel; reserve pay and retired pay are excluded. Civilian compensation represents gross pay and includes lump sum payments for final annual leave. Both figures are inclusive of individual contributions to retirement and social insurance funds, but are exclusive of any employer contributions to these funds.

VI. *Outstanding Payments*: Payments to contractors by the military departments and Defense Agencies made before the goods or services contracted for are completed and delivered.

a. *Advance Payments*: Payments to contractors in advance of performance of a contract.

b. *Progress Payments*: Payments to contractors as work progresses on a contract. These payments serve to reimburse the contractor for a major portion of the costs incurred to date.

VII. *Strength*: The number of persons on active duty with the Department of Defense at the end of the period.

a. *Military*: Men and women on continuous or extended active duty. Excludes reserves on temporary active duty for reserve training.

b. *Civilian*: Direct hire personnel.

SELECTED DEFENSE DEPARTMENT ECONOMIC INDICATORS

(Dollars in millions; manpower in thousands; quarters by calendar year)

	1966				1967									
	I	II	III	IV	I	II	July	August	September	III	October	November	December	IV
I. Military prime contract awards:														
Aircraft.....	\$1,945	\$2,989	\$2,696	\$2,262	\$2,102	\$3,049	\$394	\$636	\$1,483	\$2,513	\$1,249	\$578	\$805	\$2,632
Missile and space systems.....	1,040	987	1,314	861	1,230	1,166	535	521	524	1,580	323	429	316	1,068
Ships.....	355	491	976	239	679	407	178	104	135	417	153	147	110	410
Weapons and ammunition.....	555	1,486	692	940	818	1,769	92	415	597	1,104	454	451	439	1,344
Electronics and communications equipment.....	918	1,574	666	915	971	1,848	169	364	283	816	272	247	305	824
Other hard goods.....	843	1,842	660	1,029	915	1,564	202	355	228	785	252	153	248	653
Soft goods.....	709	922	1,078	989	638	652	588	280	188	1,056	175	118	198	491
Construction.....	207	392	198	150	232	626	56	100	76	232	56	44	113	213
All other.....	1,406	1,963	2,356	1,639	1,605	1,987	1,194	568	573	2,335	522	486	649	1,657
Total (excluding work outside United States).....	7,978	12,646	10,536	9,024	9,190	13,068	3,408	3,343	4,087	10,838	3,456	2,653	3,183	9,292
Total, seasonally adjusted.....	8,703	10,144	10,716	10,149	10,171	10,667	3,610	3,686	3,665	10,961	3,665	3,329	3,467	10,461
Work outside United States.....	521	1,195	856	672	453	834	314	382	195	891	193	117	145	455
II. Gross obligations incurred:														
Operations.....	8,326	9,604	10,426	9,702	10,299	11,435	3,700	3,825	3,689	11,224	3,776	3,374	-----	-----
Procurement.....	4,374	8,539	5,368	5,276	5,113	8,948	1,045	1,894	3,215	6,145	2,699	1,717	-----	-----
Other.....	2,429	3,470	3,453	2,230	2,519	3,510	1,246	1,062	1,112	3,420	860	665	-----	-----
Total.....	15,129	21,613	19,247	17,208	17,861	23,893	5,991	6,791	8,016	20,793	7,335	5,755	-----	-----
III. Gross unpaid obligations outstanding:														
Operations.....	3,828	3,777	4,792	5,024	4,644	4,513	(1)	5,115	5,267	5,267	5,270	5,050	-----	-----
Procurement.....	18,023	22,119	22,736	23,173	22,780	25,248	(1)	23,874	24,925	24,925	25,423	24,982	-----	-----
Other.....	5,747	7,392	8,179	7,888	7,626	8,270	(1)	8,559	8,722	8,722	* 8,598	8,340	-----	-----
Total.....	27,598	33,288	35,707	36,085	35,050	38,031	(1)	37,548	38,914	38,914	* 39,291	38,372	-----	-----
IV. Net expenditures:														
Operations.....	7,689	9,076	8,968	9,087	10,002	10,731	2,898	3,722	3,382	10,001	3,641	3,456	3,397	10,494
Procurement.....	3,651	3,886	4,392	4,264	5,074	5,282	2,037	1,982	2,041	6,060	2,005	1,890	1,704	5,599
Other.....	2,757	2,647	2,484	3,092	3,179	2,001	1,231	883	933	3,047	* 790	847	723	2,360
Total.....	14,097	15,609	15,844	16,443	18,255	18,014	6,166	6,587	6,356	19,108	* 6,436	6,194	5,824	18,453
V. DOD personal compensation:														
Military.....	3,181	3,249	3,551	3,606	3,624	3,646	1,310	1,260	1,272	3,842	1,264	1,297	-----	-----
Civilian.....	1,937	2,015	2,105	2,135	2,170	2,248	736	793	742	2,271	773	772	* 776	* 2,321
Total.....	5,118	5,264	5,656	5,741	5,794	5,894	2,046	2,053	2,014	6,113	2,037	2,069	-----	-----
VI. Outstanding payments:														
Advance payments.....	66	79	90	83	92	80	-----	-----	-----	110	-----	-----	-----	-----
Progress payments.....	4,402	4,346	4,750	5,461	5,981	6,765	-----	-----	-----	7,179	-----	-----	-----	-----
Total.....	4,468	4,425	4,840	5,544	6,073	6,845	-----	-----	-----	7,289	-----	-----	-----	-----
VII. Strength (manpower):														
Military.....	2,969	3,094	3,229	3,334	3,371	3,377	3,382	3,393	3,412	3,412	3,416	3,412	-----	-----
Civilian.....	1,088	1,138	1,184	1,230	1,268	1,303	1,311	1,306	1,274	1,274	1,277	1,277	* 1,271	* 1,271

¹ Not available.

² Revised.

³ Preliminary.

Note: Open spaces for indicators other than No. VI indicate information not available at time of publication. Indicator No. VI information available only on a quarterly basis. Totals may not add due to rounding.

THE SMALL BUSINESS ADMINISTRATION IN NEW HAMPSHIRE

Mr. MCINTYRE. Mr. President, the Small Business Administration is making a notable impact in New Hampshire. Through its long-term loan programs and its concept of management assistance including SCORE—Service Corps of Retired Executives—SBA establishes an affinity between government and private enterprise which has intensified the initiative, the zeal, and the productivity not only of existing firms but new firms as well. These small businesses, 4.8 million of them comprising 95 percent of all American businesses, have a strong ally in the Administration and the Federal Government.

In his proclamation of Small Business Week last May, President Johnson said:

Small businesses perform a service to the Nation beyond the supplying of goods. Operating in an open, competitive market, they stimulate new ideas that create progress. They provide community leadership to aid economic development. They offer a wide and challenging variety of job opportunities to our people. We must insure that they will continue to hold a vital place in our society.

New Hampshire's economic diversification is stimulated by SBA's assistance to many of our struggling small businessmen. SBA's long-term lending programs aided 106 New Hampshire firms during fiscal year 1967 with loans totaling \$5,205,000. Seventy-eight of these loans, totaling \$4,653,000 are helping small businessmen in my home State through the agency's regular business loan program. Nine disadvantaged persons were provided a total of \$74,000 under the agency's economic opportunity loan program to aid in the establishment of a business or to improve businesses already in existence. Nineteen New Hampshire firms received \$478,000 from SBA when they were forced to relocate because of a federally financed highway program or an urban renewal project.

The case history of Gates, Inc., a West Peterborough woodcraft industry, is a perfect example of how business ingenuity and courageous imagination effectively joined hands with the long-term lending program of SBA.

Gates, Inc., located in an active New England area, has been a leader for over 30 years in a highly specialized business geared to individual production without line operations. The skill, inventiveness and craftsmanship of management and specialists are worthy of the highest commendation.

The business was started in 1934 by Charles T. Gates, a journeyman cabinet-maker. The founder was active in the management of the Charles T. Gates Co. until 1940. The small shop first operated in Worcester, Mass., from 1934 to 1955, then in Antrim, N.H., from 1956 to September 1960. Mark K. Forman, Sr., a native of Indiana, was associated with Charles T. Gates from the time the firm was established. Today, he and his wife own 99.9 percent of the Gates, Inc., stock.

The original partnership of Gates and Forman was incorporated in 1944, and the Charles T. Gates Co. then became Gates, Inc. On September 30, 1960, fire completely destroyed the first Gates frame building, machinery, fixtures, in-

ventory, and most of the office records at Antrim, N.H. Although Mr. Forman was offered the use of a small brick building in Antrim to resume production, the building proved too small for efficient and profitable operations.

The corporation was then moved to Peterborough to a four-story brick warehouse which the partners bought for \$26,500 with a first mortgage of \$18,000 from the Peterborough Savings Bank and a second mortgage of \$7,000 from the New Hampshire Business Development Corp.

Gates, Inc., converted and improved the old warehouse, then resumed production in January 1961, using most of the firm's operating capital to purchase machinery and stock. In the Antrim fire, Mr. Forman lost thousands of dollars in machinery and equipment, inventory, unfilled orders and destroyed records. He applied for a \$35,000 10-year SBA loan with 20-percent participation by the Concord National Bank. The loan was approved on September 20, 1961, and is being repaid as agreed. Since the SBA loan, Mr. Forman has maintained a profitable woodworking business through very difficult times of change, competition, and fluctuating economic conditions.

Mr. Forman, although he has reached the retirement age, wants to provide modern facilities for the firm before his retirement. The present building was erected in 1824. Mr. Forman has an option on land near the present site of the firm, and plans have been prepared for a new, modern Gates plant on these premises. Banks and the SBA no doubt will be contacted for additional financial assistance. The 1961 SBA loan to Gates, Inc., is now reduced to \$19,027 from its original \$35,000. The firm has indeed proved its reliability in meeting all financial obligations while growing systematically through all these fruitful years.

Mr. President, today, under the capable efforts of SBA's Administrator, Robert C. Moot, we can look with pride to this first-class example of a cooperative relationship between Government and business. A favorable business climate, tight-fisted but flexible management, constantly improved plant layout and manufacturing facilities, excellent personnel relations with management, capable and well-trained executive and supervisory specialists and the long-term lending program of SBA have once again joined hands in a harmonious and productive preservation of the American free enterprise system.

FIGHT FOR HUMAN RIGHTS TO BE INTENSIFIED

Mr. PROXMIER. Mr. President, the commemoration of the 20th anniversary of the adoption of the Universal Declaration of Human Rights will be highlighted in many ways during the 1968 International Year for Human Rights.

A unique series of ceremonies and observances has been planned by the United Nations, by regional organizations, by national governments and by private organizations.

The U.N. General Assembly, I am informed, wants the occasion to be much

more than a celebration of past events. When it proclaimed Human Rights Year, it said that an appropriate way of celebrating would be to devote 1968 to intensified national and international efforts in the field of human rights and also to an international review of achievements in this field.

Specifically, it asked that States become parties to the existing human rights conventions and it decided to hasten the conclusion of other such instruments.

This international review of achievements is to be projected through the U.N. International Conference on Human Rights, to be held in Teheran, Iran, beginning April 22, 1968, and continuing for 3 weeks. The purpose of the Conference is to review progress since the Universal Declaration of Human Rights was adopted in 1948, evaluate the effectiveness of the methods used by the United Nations in the field of human rights and prepare a program of further measures to be taken after 1968.

I heartily concur in these planned programs. To add further weight to the International Year for Human Rights, the U.N. plans to award prizes for outstanding contributions to human rights. The General Assembly is to hold a special meeting on December 10, 1968—a date which is celebrated each year as Human Rights Day. Special United Nations postage stamps and other material will be issued.

The various governments, agencies and others are preparing special programs for the year.

We all recognize the inherent dignity and the equal and inalienable rights of all members of the human family is the foundation not only of freedom and justice but also of peace.

Therefore, I again urge the Senate to voice its approval of the human rights conventions on genocide, political rights of women, forced labor, and freedom of association. Affirming these treaties would advance the cause of humanity throughout the world.

DEATH OF SELMA M. BORCHARDT

Mr. MUNDT. Mr. President, it was with a sad heart that I read in this morning's paper of the passing of a great American woman, Miss Selma Borchardt.

Selma Borchardt is well known to many in this body because of her intense interest in problems of education, international relations, and juvenile delinquency. She was often seen in the halls of the Capitol, discussing these problems with Senators and Representatives.

All of us who knew her profited from her wise observations and careful counsel. She was a woman who was constantly thinking up new ideas—ideas which worked to the improvement of the welfare of fellow humans both here and abroad.

She firmly believed in the idea of exchanging information, skills, and knowledge in the hope of furthering world peace. South Dakota has reason to appreciate the work which she has done because two of the most effective international agricultural seminars which were held at South Dakota State University

were the outgrowth of plans which Selma Borchardt contrived.

Mr. President, I ask unanimous consent that her obituary, published in the Washington Post, be printed in the RECORD.

There being no objection, the obituary was ordered to be printed in the RECORD, as follows:

SELMA M. BORCHARDT, LAWYER, EDUCATOR

Selma Munter Borchardt, 72, lawyer, nationally known educator and a three-time president of the American Federation of Teachers, died yesterday at Mar-Salle Convalescent Home here after a short illness.

A native of Washington, Miss Borchardt was a graduate of Eastern High School. She received a bachelor's degree from Syracuse University in 1919, a law degree from Washington College of Law in 1933 and a master of arts degree from Catholic University in 1937.

An English teacher in District schools for more than 35 years, Miss Borchardt was a delegate to four White House conferences on children and to the 1955 White House Conference on Education.

She was a onetime member of the Commissioner's Youth Council, was director, from 1935 to 1942, of the Washington Self-Help Exchange and served from 1945 to 1951 as a member of the U.S. National Commission on UNESCO.

Miss Borchardt joined the American Federation of Teachers in its earliest years and saw it grow from a small independent group, with headquarters in Chicago, to an arm of the AFL-CIO and one of the country's two national teacher bargaining agencies. She served as vice president from 1924 to 1932, from 1942 to 1954 and again from 1958 to 1962.

She was also active in the Federation's local branch, the Washington Teachers' Union, serving as legislative representative for many years. At the time of her death, Miss Borchardt was executive secretary of the Washington organization.

A member of the AFL-CIO's standing committee on education for more than three decades, Miss Borchardt wrote a number of studies for the union. She was particularly interested in the problems of juvenile delinquency and in teachers' organization.

Miss Borchardt received several local and national awards for her efforts on behalf of education and organized labor.

THE PRESIDENT'S INTERNATIONAL GRAINS ARRANGEMENT GOOD FOR THE AMERICAN FARMER AND THE ECONOMY

Mr. MAGNUSON. Mr. President, the International Grains Arrangement is before the Senate for consideration at a time when the administration is making a determined effort to keep our Nation's currency strong and our financial position solid and to raise the income of the American farmer.

In endorsing this proposed arrangement, I would like to point out that it will directly contribute to the international monetary objectives which this country is seeking.

A basic element of the International Grains Arrangement is its new and higher range of prices, as compared to the previous International Wheat Arrangement, under which member countries will buy and sell their wheat in commercial markets. This higher range will bring the American farmer as much as 20 cents a bushel more for the wheat he sells in the world market. When we consider that this year the United States ex-

pects to export 750 million bushels of wheat, nearly half of which is sold commercially, we readily see that the higher range of prices resulting from the Johnson arrangement, will be a potent factor in bringing back more dollars to be applied to the plus side of our Nation's balance of payments.

I should like to point out the little-known fact that exports of American farm products today greatly exceed imports of farm products, and account for over 50 percent of our country's favorable merchandise trade balance—which is even more impressive in view of the fact that they make up only 22 percent of total exports.

In this and many other ways, American farmers are performing a signal service in supplying world markets. Through such efforts as the International Grains Arrangement, the administration joins the Congress in giving support to those American farmers whose food and fiber sustain not only this Nation, but free nations around the world.

NEW YORK TIMES ASKS STRONG TRUTH-IN-LENDING BILL

Mr. PROXMIRE. Mr. President, today and tomorrow the House of Representatives will consider the truth-in-lending bill. After 7 long years of struggle and delay, it appears that victory for the American consumer is at hand. I was delighted to see the New York Times, in its editorial today, support two important amendments to strengthen the bill. These amendments will be offered by Representative LEONOR K. SULLIVAN, of Missouri, who has so ably championed the bill in the House.

The first amendment would require all forms of revolving credit to disclose the annual percentage rate. The second amendment would eliminate a provision which exempts creditors from disclosing the annual percentage rate if the finance charge is less than \$10.

Mr. President, I believe it is quite important to treat all segments of the credit industry in a fair and equitable manner. Although most creditors would be required to disclose the annual percentage rate, under the terms of the Senate bill and the present House bill, some creditors would be required to disclose only the monthly rate. Since the time of the Senate hearings, we have heard from a number of leaders in the credit industry who feel that this provision is discriminatory. If some stores are required to disclose an annual rate, then all stores should be required to do the same.

Thus the amendment to be offered by Representative SULLIVAN has the support not only of consumer groups and labor unions, but of a vast majority of the credit industry as well. I am hopeful that the House will be able to correct this inequity.

I ask unanimous consent that the New York Times editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

TRUTH IN LENDING

As the House of Representatives takes up the long-stalemate truth-in-lending bill, the

need for a strong, comprehensive law is heightened by the steady growth in the volume of consumer credit. Buyers and borrowers must have the protection of a law requiring full disclosure of the true cost of obtaining credit. These safeguards are partially necessary for the least educated and the poorest, who can ill afford mistakes in managing their money.

The bill as it comes to the House floor would be improved if the members strike out two amendments adopted in the Banking Committee. The first would exempt retail stores and mail-order houses from telling their customers the interest rate on an annual basis for so-called revolving charge accounts. An interest charge of 1.5 per cent a month on the unpaid balance sounds rather low. Yet, on an annual basis, this is 18 per cent.

Equally objectionable is an exemption in the bill providing that credit terms do not have to be detailed if the interest charge is less than \$10 per transaction. As a practical matter, such a provision would exempt most loans and purchases of less than \$100. This is exactly the size of transaction in which persons with the smallest incomes need protection.

On the plus side, an amendment successfully offered in committee by Representative Halpern, Republican of New York, strengthens the bill by restricting the garnishment of wages. The first \$30 of a worker's wages would be exempt from attachment by a private creditor, and no attachment could exceed 10 per cent of his remaining wages. No one would be harmed by such a modest restraint except those dubious merchants who prey upon the poor by selling shoddy merchandise on "easy" credit.

FIFTH ANNIVERSARY OF COMMUNICATIONS SATELLITE CORP.—COMSAT

Mr. MAGNUSON. Mr. President, by the Communications Satellite Act of 1962, the Congress initiated a unique and bold venture in the utilization of space technology to "establish, in conjunction and in cooperation with other countries, as expeditiously as practicable" a commercial, global satellite communications system. Signed into law by President Kennedy, this act expressed the willingness and desire of the United States to share with other nations its developments in this new technology. Explicitly stated are the objectives that the new system should "serve the communications needs of the United States and other countries" and that it should "contribute to world peace and understanding."

Among other things, the act specified that U.S. participation in the system should be in the form of a new private corporation. Included in the charges to this company was that it should direct care and attention to the needs of "economically less developed countries and areas" for the services of the system.

This month marks the fifth anniversary of the Communications Satellite Corp.—Comsat—an appropriate juncture at which to assess its progress in fulfilling its mandate.

The first milestone came in August of 1964 when representatives of the U.S. State Department and Comsat signed agreements with government and telecommunications officials of 10 other nations, covering the formation of a joint international venture, the nature of its

interim organization, and operating procedures for the group to follow.

The resulting organization is called the International Telecommunications Satellite Consortium—Intelsat for short. Comsat serves as its manager. The interim arrangements were given 5 years to run, after which they are to be superseded by definitive arrangements which are today in preliminary negotiation.

Meanwhile, Intelsat has grown from its original membership of 11 nations to a total of 61, including more than 40 which qualify as among the less developed countries mentioned in our act.

This is remarkable growth. It represents primarily of course a recognition of the potential of satellite communications. The diligence of Comsat also deserves credit.

From the outset, Comsat officials have traveled throughout the world, explaining to the officials of other countries the purposes of Intelsat and the advantages to each of Intelsat membership. Where needed and desired, advice and consultation have been supplied in the planning, design, and construction of satellite earth stations, to enable use of the satellites.

Great impetus was given to this phase of Comsat's campaign in April of 1965 with the success of Early Bird, placed in synchronous orbit over the Atlantic Ocean. The success of this pioneering satellite gave timely proof to the world that the hopes for high quality space communications were well founded.

Those countries with insufficient volume of international communications traffic to justify an earth station of their own have been encouraged to join Intelsat nonetheless, and to share in the use of an earth station in a neighbor country where that is appropriate.

Another phase of the campaign to build the global system has involved financing through international lending agencies for earth station construction in the lesser developed countries. Many feasibility studies have been made to determine the cases where proposed earth stations were likely to show a profit in reasonable time, giving account to capital and operating costs and to expected traffic and tariffs.

At present, 16 earth stations are in operation in 11 countries. England, France, Italy, West Germany, and Spain are linked to the United States and Canada by two satellites over the Atlantic. Australia, Thailand, the Philippines, and Japan are linked to Hawaii and the U.S. west coast by two Pacific satellites.

New satellites having four times the capacity of present models are scheduled to be placed in orbit later this year. Additional earth stations under construction or in final design are expected to bring the number to 40 by the end of next year, when Intelsat's agreed-upon interim phase will be completed.

The commercial utilization of space for communications purposes—a dream for the future when the Congress passed the Satellite Act—is today a reality. In this sixth year of the act there can be no question as to the bright hopes for the future of global satellite communications. To the extent that this new ability to communicate can indeed help to bring

peace and understanding to this troubled world, we shall all have reason for gratification.

THE "LASSIE" PROGRAM

Mr. MURPHY. Mr. President, among the multitude of challenges facing Americans today few are equally in gravity to the problems of air and water pollution. It is imperative that we devote close and continued attention to the job of purifying the water we drink and the air we breathe. Magnifying the importance of the challenge is the ever-increasing urbanization of the United States. Dr. John Gardner, the Secretary of Health, Education, and Welfare, has pointed out that more than one-half of the Nation's population now lives on about one-tenth of the land area and, by 1975, we can expect that three-fourths of our citizens will be living on the same amount of land. The prospect of 185 million Americans crowded together in our cities within the next decade is a foreboding one. The pollution motor vehicles alone spew into the air is staggering to contemplate. The effort to prevent environmental contamination from getting completely out of hand will test our technological abilities to the fullest.

Congress last year enacted the Air Quality Act of 1967, a measure of which all of us can be proud. This legislation, in my opinion, is an example of a proper response by Government to a problem meriting Federal attention due to its size and scope. For the Air Quality Act of 1967 was written to take into account the views of State and other local governments as well as industries affected. Senator EDMUND MUSKIE, of Maine, sponsored this legislation and I was proud to have been a cosponsor.

Not the least of the tasks confronting us in reversing the rising curve of air and water pollutants is one of educating Americans to the dangers they face. In this, governmental agencies at every level are being supported by forward-looking industries, organizations, and individuals. I would like to mention today one source which, over a period of many years, has assisted in the educational drive to impress upon Americans the importance of antipollution work.

Every Sunday night on a national television network for the past 14 years, millions and millions of youngsters and adults have tuned in on the "Lassie" program. Woven into this program, along with the entertainment values responsible for its longevity and appeal, are messages of antipollution, conservation, and beautification of our natural resources. The method of presentation gives these messages an appeal that makes them readily understandable to the old and young alike.

I commend the "Lassie" program and its owners and producers for the continuing service they carry on in this field. It makes me proud that a product of the State of California is proving an influence in helping keep our natural resources intact. The participation of the "Lassie" program in this field has brought the problems of air and water pollution to the entire Nation's attention since the program is seen in more than

200 communities and has a viewing audience of approximately 50 million persons.

The owners and producers of the "Lassie" program, the Wrather Corp., headed by California industrialist Jack Wrather, believe in working closely with the U.S. Forest Service and the Department of the Interior. Mr. Robert Bray, the actor who portrays the role of U.S. Forest Ranger Corey Stuart in the "Lassie" series, goes beyond his role to give talks before civic and industrial groups throughout the Nation on the subject of antipollution and conservation. Lassie's trainer, Mr. Rudd Weatherwax, has continually made her available without recompense to community gatherings where the cause of antipollution and conservation can be promoted and enhanced. Others associated with the program, including associate producers William Beaudine, Jr., and Bonita Granville Wrather—who is remembered by millions as an attractive and charming young actress—writers Robert Schaefer and Eric Friewald, directors William Moder, William Beaudine, Sr., and Jack Hively, have assisted in this educational endeavor. Their efforts and dedication should not go unnoticed by those of us who take pride in the beauty of our States, cities and neighborhoods and in the cleanliness of our air and water. I commend, therefore, the "Lassie" program and all those involved in its production for their efforts in this field.

GROWING SUPPORT FOR TRUTH IN LENDING

Mr. PROXMIRE. Mr. President, the verdict is rapidly becoming unanimous that all creditors should be required to tell their customers the true annual rate they are charging for credit. Under the terms of the Senate bill passed last July, about 97 percent of the credit industry would be required to tell the full truth. However, 3 percent of the industry was permitted to disclose only a monthly rate. This exemption applied to short-term revolving credit plans customarily established by department stores.

Following the Senate action, the 97 percent of the credit industry required to disclose the annual rate has mobilized a massive campaign to plug the loophole afforded revolving credit. Now that the credit industry realizes a truth-in-lending bill is a certainty, it has exerted substantial pressure on the House to apply the principles of annual rate disclosure fairly and uniformly to all segments of the industry.

Responsible editorial opinion also supports this elementary concept of fair play. Yesterday the New York Times published an editorial supporting Mrs. SULLIVAN's attempts to amend the House bill to require that the annual rate be disclosed on revolving credit plans. This morning the Washington Post entered the battle with an editorial advocating that the annual rate disclosure requirements be applied to revolving credit.

There being no objection, the editorial was ordered to be inserted in the Record, as follows:

Mr. President, I ask unanimous consent to include in the RECORD the editorial from the Washington Post.

MORE TRUTH IN LENDING

The object of the truth-in-lending legislation that should come to a vote in the House today is to provide consumers with relevant information. When a man borrows \$550 from a credit company and contracts to repay \$50 a month for twelve months, the true interest rate is 17 per cent. That information ought to be communicated by lenders so that borrowers know how much they are asked to pay for credit and have an opportunity to compare the terms offered by competing lenders. The principle is the same with respect to installment credit extended by stores.

Opponents of truth-in-lending legislation aver that providing such information would compel retailers to make onerous numerical calculations. But in this computer-oriented age, it should be possible to turn out interest tables at low cost that cover virtually every set of credit arrangements. Therefore, we urge that the House reject the amendment that would exempt the revolving, retail store charge accounts and another that exempts transactions for which the interest charge is less than \$10.

Nothing in this legislation should be construed as imposing a limit on the true rate of interest that may be charged. Attempts to prohibit "usury" almost invariably fail, and Congress should not repeat its mistakes in attempting to enforce interest ceilings on Treasury bonds and insured mortgages. Merely requiring that borrowers be given information about the true interest charges is quite another matter. And it is to be hoped that Congress passes the stronger version of the truth-in-lending bill now urged by the Administration leadership in the House.

RAILROAD RETIREMENT ACT EXTENSION BENEFITS TEXAS

Mr. YARBOROUGH. Mr. President, I regret that I was absent on official Senate business yesterday, holding a Labor Subcommittee hearing in Portland, Oreg., when the Senate unanimously passed the extension of the Railroad Retirement Act of 1937 and the Railroad Unemployment Insurance Act.

This action is of tremendous importance to my home State, since we have about 30,600 Texans on railroad retirement annuities, 13,700 receiving railroad survivor annuities, 4,400 receiving sickness benefits and 2,900 receiving unemployment insurance. This means that about 51,600 Texans are directly affected by this action.

The railroad retirement system was the first industrywide retirement system between employees and employers instituted in the Nation. It is administered by the Railroad Retirement Board which is an independent agency of the U.S. Government.

This system has been a model retirement system for the Nation and around the world. No other industry has a system like it and no other group of employees has over the years enjoyed such extensive benefits under any other retirement system as have the railroad employees.

S. 2839, introduced by my distinguished colleagues, the Senator from Rhode Island [Mr. PELL], and the Senator from Oregon [Mr. MORSE], increases the benefits in both the retirement system and the unemployment system of the Railroad Retirement Act.

Last year, we passed some amendments to the Social Security Act. These

amendments have had several effects upon the railroad retirement system. First, the monthly limit on creditable and taxable railroad earnings was raised and this raise took effect on January 1 of this year. Second, a new schedule of railroad retirement taxes is established.

Along with these increases in the contributions to be made to the system, the persons being paid under a special guaranty and most wives will receive increases in their railroad retirement benefits. More specifically, families being paid under the special guaranty are guaranteed that their benefits under the railroad retirement system will be 10 percent larger than their benefits would have been if they had been paid benefits under the social security system. Second, wives can receive higher benefits because the social security amendments had the effect of raising the maximum annuity that can be paid to a wife under the railroad retirement law.

The amendments passed yesterday to the present Railroad Retirement Act accomplish two basic purposes. First, they fill the gaps in the system of benefits that were not accomplished by the social security amendments. Second, they make some changes in the railroad unemployment insurance program. Let me first consider the effects this bill would have upon the annuity benefits.

The monthly increases will, as a rule, range from \$10 to \$21 for retired employees and from \$5 to \$17 for wives and survivors. The amount of a beneficiary's increase will generally be a bit smaller if he is also receiving a social security benefit. But the minimum increase will be \$10 for most retired employees and \$5 for most wives and survivors. The amount of the increase in an annuity will be related to the average monthly earnings on which it was based.

There are two other sources of benefits under the proposed amendments. One concerns the earnings limitation for disability annuitants. These will be substantially liberalized. Presently only \$1,250 per year can be earned and the benefits can only be paid in those months when the annuitant earns less than \$100. S. 2839 changes the annual limitation to \$2,500 and allows benefits to be paid in any month where the annuitant earns less than \$200. The second area of increased benefits is for totally disabled widows who are aged 50 or older.

The bill acted on yesterday also covers the railroad unemployment insurance program and provides for a higher benefit rate schedule, with a maximum daily benefit of \$12.70 compared with \$10.20 under present law. Sickness benefits will be payable for longer periods to employees with 10 or more years of railroad service who are under the age of 65. The earnings needed in a calendar year to qualify for the next benefit year would be raised from \$750 to \$1,000. Also maternity benefits, as such, will no longer be payable, but illness related to a pregnancy will be covered on the same basis, as other sickness.

Let me reiterate that the major effect of this bill is to adjust the railroad retirement system so as to reflect the changes made in the social security system by the bill last year. There are other changes which are of a housekeeping

nature based upon the experience of those who have been working with the system over the many years of its existence.

Lastly, this is an agreed-upon bill. It is the result of negotiations between the rail brotherhoods and rail management, and it has the full support of the Railroad Retirement Board.

I support the Senate's action yesterday.

ADDRESS BY LEONARD H. MARKS BEFORE NATIONAL ASSOCIATION OF BROADCASTERS

Mr. MAGNUSON. Mr. President, recently Mr. Leonard H. Marks, Director of the U.S. Information Agency, delivered a speech before the National Association of Educational Broadcasters' 43d convention which was held in Denver, Colo.

Prior to becoming Director of USIA, Mr. Marks, a noted authority in the field of communications, had served as general counsel for the NAEB. His remarks, entitled "A Blueprint for a New Schoolhouse" issued a challenge that calls for action.

As Leonard Marks eloquently states, the technological means for the creation of a worldwide information system is imminent. This Nation has an obligation to be prepared to utilize our technological gains in a manner which will guarantee the fullest humanitarian results.

Mr. President, I commend the thoughts of this man who, in his position as Director of USIA, directs one of the world's largest communication operations, and ask unanimous consent that his address be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

A BLUEPRINT FOR A NEW SCHOOLHOUSE

(An address by Leonard H. Marks, Director, U.S. Information Agency, before the National Association of Educational Broadcasters 43d Convention, Denver, Colo., Nov. 8, 1967)

I would rather dream of the future than reminisce about the past; but tonight after seeing friends with whom I have spent nearly 25 years in the educational broadcasting field, I am going to yield to nostalgia and reminisce first and dream later.

In 1946 I attended my first NAEB Convention. The setting was a bit different than it is tonight—there were no great exhibit spaces, nor formal dinners or hundreds of delegates. There were about 30 of us in a small meeting room. We had a vision of great opportunity for educational television for which spectrum space had recently been reserved under the FCC allocation plan.

I had recently resigned as Counsel for the FCC and been appointed as NAEB's General Counsel—a position which I held for many years thereafter. My last assignment at the Commission was with the Task Force assigning new channels for television and reserving a portion of the spectrum for education. We had fought long and hard within the Commission to establish such a reserve for education and to hold these channels until educators were financially able to use them. The NAEB meeting in 1946 discussed this subject with great care.

Those of us who attended that convention in 1946 talked glibly about attracting millions of dollars from school systems, state legislatures, and from the public to build these new television school houses. And,

after tossing around these large amounts of money, at the conclusion of the meeting we refused to increase the dues of NABE members by \$10 since we didn't believe they could afford it.

In those days, our primary concern was with educational radio. There were in 1946 relatively few stations operating non-commercial facilities. Their budgets were small and they had a difficult time getting money to expand. These school administrators and the businessmen who sat on the boards were suspicious of the medium and frankly doubted that you could educate through radio. They reminded me of Titus Moody, Fred Allen's famous New England philosopher, who said he wouldn't listen to the radio because he mistrusted any furniture that talked.

There are some in this room who may remember the first broadcast stations created in the early 1920s. Few had the vision of an industry that would expand as rapidly or as dramatically. But at least one distinguished American had this to say:

"It is inconceivable that we should allow so great a possibility for service and for news, for entertainment and education and for vital commercial purposes to be drowned in advertising chatter."

The author of these words was no wild-eyed radical, no enemy of private enterprise and commercial broadcasting, but he recognized the great potential that this new engineering device might have for education. At one time he went on to urge that portions of each broadcast schedule be specifically reserved by law for education and that only a few minutes of each hour be used for "advertising chatter." The author of that quotation was none other than Herbert Hoover, then Secretary of Commerce charged with the responsibility of issuing licenses to the handful of pioneers that created the broadcast industry. Hoover had a vision of radio as it could have been but which it never fully became.

Before the war, a serious effort was made to encourage educational uses of radio. The Federal Government allocated some of the best frequencies on the spectrum for universities and school radio systems. In many cases these frequencies were never used for educational purposes. Some schools used them for a little while and then sold the equipment to commercial broadcasters, frequently for less than the money invested in the transmitter and studio. Some licenses were surrendered and very valuable frequencies were snapped up by commercial stations.

Radio, of course, did expand—from 960 stations in 1943 to more than 5550 today. But it expanded without that strong commitment to higher purposes that Herbert Hoover had envisioned. Quantity we achieved. Quality, I fear, was another matter.

Next came television; and here, I think, we can be prouder of the results.

No one needs to tell you what a struggle it was to acquire the channel allocations—and then to find the funds to get the stations actually built and on the air.

No one needs to tell you what a struggle it was—for you were the very people who were doing the struggling! Senator Magnuson, the state legislatures, the Ford Foundation: all these lent a badly needed hand. But in the end, it was a dedicated group of educators and broadcasters—you people sitting in this room—who saw the struggle through.

The nation is in your debt for that struggle. It succeeded. And considering the roadblocks, it succeeded brilliantly. You won the channel allocations. You won the ETV construction facilities legislation. You won the decision to require UHF capabilities in all TV sets. And now, you have capped it all with your support for the Congressional action to set up a Public Television Corporation.

With the passage of the PTV act, Hoover's original vision—a broadcasting system serv-

ing the educational needs of the nation at large—will at last turn from fancy to fact. For the first time in forty years, we will finally have a firm national commitment to utilize the electronic media for the whole sweeping spectrum of cultural and educational enrichment. And we will have the financial infrastructure to sustain the commitment.

Some observers have noted the PTV is to our century what the land-grant act was to the last century. They are right. It is a huge, horizonless resource with vast riches waiting to be mined.

But like the land-grant act, it will take talented and tireless people to mine that resource, and turn the rocky ore of opportunity into the refined gold of results.

You—sitting in this room—are both talented and tireless.

I know you are going to succeed. Success against odds has long been your stock in trade.

Now at last—with PTV—the odds are on your side.

Not only are the odds on your side—the future is as well.

Let us take a look at that future for a moment. It is a heady one in its prospects, but it may simultaneously turn out to be a heady one in its problems.

But, then, no one knows more about headaches—and how to handle them—than educational broadcasters.

On the heady side, consider EVR: electronic video recording.

Here is a black box with a very bright promise. It will allow us to play back videotaped material through a TV set in a home or a classroom. Consider the potential. It immediately resolves the rigidity of single-channel ETV scheduling, and permits the teacher—or for that matter, the parent—to use videotapes at will.

In May of next year, several hundred EVR units are going into British, Italian, and German schools for experimentation. They will be in our own classrooms soon enough—and my guess is, the black boxes will be ready for us sooner than we will be ready for them!

Black boxes in the classroom—like breadboxes in the kitchen—are full of potential nourishment. It is going to be a question, I think, of getting the right balance into the educational meal. We don't want to end up with too much bread, and too little meat.

Not only that, the bread of EVR—if we don't get the educational recipe right—could turn into cake . . . and worse still, maybe even into mere frosting.

The electronic educational revolution is no time for anyone to look over the hungry minds of this sophisticated generation of children, and end up by saying: let them eat cake.

Black boxes—especially those with the potential of EVR—can be a blessing. But blessings have been known to turn into curses. It is clearly not so much the black box that matters—but what we put in it.

If there is any single truth that the advance in communication technology has taught us, it is this: the machine originally was an extension of man's muscle. Now it is increasingly an extension of man's mind.

Human muscles, on the whole, do not make mistakes.

Human minds, unhappily, make many. Black boxes can amplify men's minds. They can also amplify the mistakes of men's minds.

You, the educational broadcasters, will have the challenge to help develop human minds that can harness the black box as a new tool to make our world a better place in which to live. Black boxes can help us to a richer, fuller life not in the remote future but now and soon. Not only black boxes in the classroom, but classrooms in the sky. Let's talk about these classrooms in outer space—they are, of course, the communication satellites.

The first fact about them is simply that they have out-astounded even the most optimistic visionaries who put them together in the first place.

Telstar went into orbit five years ago.

The designers have been in a kind of psychedelic orbit ever since over the growth potential of the whole satellite concept.

Telstar with its 200 circuits—doubled the existing number of circuits across the North Atlantic. But Telstar is a kind of primitive tom-tom compared to what will be coming soon.

Not only is the number of circuits going to multiply, but we will soon have direct microwave connections between the United States and Africa, Latin America, and South Asia.

Now, the satellite—like every other advance in communication technology—not only does old tasks faster and more effectively—but it expands the notion of tasks-to-be-done into an altogether new order of magnitude.

The telegraph and the telephone—to say nothing of the radio and the television set—did not merely make it possible for society to communicate more effectively. Each one of these inventions, in their way, massively changed society. Yes, these media were the messages, each in its way adding a new dimension to society.

That is clearly what the communication satellites are eventually going to do.

Congress had that in mind when it wrote into the preamble of the Communications Satellite Act of 1962 that these new instruments should be used in ways that "contribute to world peace and understanding."

Now that is a big order. But it is also a realistic one.

What it really means is that world peace and understanding are direct functions of communication.

War itself is communication. But it is communication of a very inefficient sort. The aggressor can communicate his will on other people by force. If people are going to remain free, they sometimes have to oppose that imposition of the aggressor's will by a countervailing force.

What all of us would like is a world in which there could be less painful means of communication than war.

Now, no black box in the sky—or anywhere else—is, in itself, going to make that happen.

What is going to make that happen—if it is going to happen at all—is going to be a change in human beings.

Such a change is not out of the question—no matter what the pessimists say. War is a man-made problem. Peace is a man-made solution.

And despite what communists say, man is a free being; he can do what he makes up his mind to do; and he isn't a victim of history—he is history's maker.

That doesn't mean, of course, that to lessen war, and enlarge peace, all we have to do is sit around and piously wish for it to happen.

We have to make it happen.

And making it happen is difficult. The record suggests that for the million or so years that man has been on earth, he has found it very difficult to make it happen. But man today has a big advantage over his ancestor of a million years ago.

And that advantage is that he can plug his mind into the minds of billions of other men—he can connect up his central cortex with the central cortex of billions of other men—he can, as it were, pick up the phone and tap in on a kind of global party line in which everyone can pretty well talk to everyone else.

Granted, we are not technologically quite at that point yet. But we are getting there faster than any of us probably suspect. And the satellite network is going to help make it happen.

What we are really talking about here is the creation of a *world information grid*.

Such a grid would eventually make possible the ready retrieval and transfer—to any point on earth—of any single item of the total sum of man's million-year accumulation of knowledge.

As educators we know that knowledge is exploding with a magnitude much greater than ever thermonuclear force.

Pretty soon we are going to have to start measuring the sheer accumulation of knowledge in megatonnage.

Six hundred new book titles are published every day.

A hundred thousand journals and magazines are printed regularly.

By 1980—a mere baker's dozen years away—the amount of additional information we will collect will equal in volume all the data produced in the previous two thousand years!

What all of this is going to do to the knowledge industry is difficult to predict. One thing is certain: unless we do something creative about the problem pretty soon, we are going to end up with an information overload that will rival the morning-after headache . . .

Information overload could turn out to be a cancerous disease. Too much might move—and everything could conceivably end in a tangle of facts that would become simply indigestible to the minds that needed them.

What we manifestly need to do is to miniaturize, and automate, and harness the computer to this information overload before it devours us.

What I am saying is that we have to do more than merely collect knowledge electronically. We have to learn how to route it sensibly.

There is just going to be so much information that we will either learn to route it, or it will surely rout us.

And, we must learn to share our knowledge with our neighbors so that all may benefit. Until we do, there will be little progress towards peace, good will and understanding to which all honorable men aspire.

And now, here is my plan for action:

1. You, the educators and educational broadcasters, should initiate a plan for the worldwide information grid. Your partners should be all who desire to share man's knowledge for the betterment of mankind.

2. The grid should link centers of learning in all parts of the world—Cambridge, Massachusetts and Cambridge, England, Moscow, Idaho and Moscow, USSR, as well as Accra, Kabul, La Paz and the many other locations in developed and developing areas where institutions of learning have been created.

3. Each participant should be prepared to become a depositor of the World Bank of Information and to draw on it as needed, consistent with a charter of knowledge to which they will subscribe.

4. The grid will supply the know-how for those who seek to know and the information about other people by those who desire to live in harmony with fellowmen.

5. Radio and television programs should become an important ingredient of this new reservoir of knowledge and there should be a regular exchange of programming. Worldwide audiences should be offered the best in literature and dramatic presentations and front row seats at history-making events. Leaders of nations should state their positions to the home viewers as they today explain their attitudes to United Nations delegates.

Now, that is the dream—it will not be easy to fulfill. Cynics will point out the problems of different languages and varying time zones and suspicions between countries. They will argue that there will be a one-way street, we will give and they will take. But, this is no time for cynicism. All nations have something to contribute. And those who seem poor in worldly goods are frequently well-endowed with the richest culture.

This is a time for sharing to make us all

wiser and happier, for statesmen have long recognized that Chinese walls shall not be erected to keep out new ideas. The cultures of all lands must be circulated through the houses of nations as freely as our technology permits. Wise leaders know that mankind will not long endure in peace with a world that is half rich and half poor, half ignorant and half learned. Illness of mind, like disease, infects the healthy and soon epidemics become the scourge of humanity.

And, then skeptics will also say, who will pay for this wild-eyed dream. My answer—each according to his means will participate in the overall costs and as we progress, many who are wealthy may find a satisfaction in assisting the least fortunate.

But, to start, I suggest that you look at the satellite system now in place—two satellites in the Atlantic and two over the Pacific. Here is the nucleus of the worldwide hookup. Europe and North America and parts of Asia can now be connected with each other.

A consortium of 59 nations owns these satellites and the associated earth stations. They are the beneficiaries of a technology developed by the U.S. Government and donated to the world without cost.

It's time for a global "people's dividend"—and I suggest that the Intelsat consortium set aside an experimental period during which the educators of the world can use the satellite system free of charge for the exchange of information between nations.

The United States should take the lead in this whole matter. And I am hopeful that the Communications Satellite Corporation can make a definite proposal to the other members of the consortium in the near future.

What we require here is no mere wishful declaration of the cultural and educational benefits, but a practical and pragmatic proposition—outlining in specific detail the special concessions which the consortium can make to encourage the active use of the satellite network for these purposes.

Certainly we here in the United States should have no qualms about proposing this small sacrifice of profits. The American taxpayer has underwritten the cost of the development of the satellites in hundreds of millions of dollars. All of this development was made available to the comsat consortium without the payment, in return, of a single dollar, peso, or franc from anyone but the American taxpayer.

But a national U.S. commitment—and a commitment from the comsat consortium—are still not enough.

We need you to make this idea go: you, the educators and broadcasters of America; and your counterparts abroad.

We need you to come up with the hard-headed, carefully thought-out projects: projects that will make use of communications satellites to do, at a reasonable cost, what other educational media cannot do.

We are not proposing to replace the book, or the filmstrip, or the on-the-ground ETV program.

We are interested in doing things the other media cannot do—or at least cannot do as effectively.

The key to coming up with the right projects, I believe, is to take the broadest possible view of the satellites' capabilities. This means, as I noted earlier, viewing them primarily in terms of a worldwide information grid: a unique method of plugging together human minds between any points on earth.

Remember that the grid will be able to handle any medium that can be reduced to electronic signals. This means radio, television, telex, telephone, facsimile, and high-speed data transmission.

The medium that has received the most attention, of course, is television. The various experiments to date in long-distance educational and cultural exchanges have under-

scored—and dramatically so—the potential of satellite ETV.

Now, satellite ETV's day is definitely going to come—and come big. But in the case of most of the world, we are only at the dawn of that particular day. Satellite ETV requires elaborate on-the-ground facilities that are simply not yet in place in most underdeveloped countries of Asia, Africa and Latin America.

There are many other prospects closer at hand—and it is these, I think, we ought to get to work on first.

I have in mind, particularly, the exploding field of electronic data exchange—either by print or by visual means.

Schools both in this country and abroad can move forward today toward a system of worldwide information exchange to meet their need for mounting knowledge explosion.

A system of electronic interchange of information could readily be set up within the next five years—provided we make imaginative use of the satellites, and link them to information storage and retrieval systems already in existence.

The fact is, something like it is already happening.

In Latin America today, bridges and dams are going up—built on the basis of information supplied by computers in Massachusetts. MIT has information-exchange programs with more than a dozen universities in Latin America.

There have been successful experiments with computers at the University of Buenos Aires "conversing" with computers at MIT, via shortwave radio. Computers can clearly be linked eventually by satellites.

In Great Britain, doctors have dramatically expanded the range of their medical-information resources through a similar scheme. The British Medical Association can draw on the computers and other automated facilities of our own National Library of Medicine, located at the National Institutes of Health in Washington, which abstracts nearly a quarter of a million medical articles a year.

At the moment this is being done by air-mailing computer tapes to Britain. Eventually, the service can be operated by satellite so that doctors abroad can have instant access to current research.

Just the other day a similar demonstration took place in Washington for members of the U.S. Senate who learned of plans for transmitting electrocardiograms from home or hospital to cardiology centers centrally located. At these locations doctors are ready to diagnose the case and furnish immediate information for treatment.

In my own profession of law there are tremendous potentials of this sort. As you know, a lawyer loves relevant precedents—provided, of course, they support his case.

Support it or not, the precedents are becoming so widespread that we have had to computerize such information here in the United States; and a worldwide system was proposed two months ago at the World Conference on Law in Geneva.

Ladies and Gentlemen, we have traveled quite a road since the first NAEB meeting I attended 21 years ago.

We are 21 years older. But your profession as educational broadcasters seems now nearly 21 decades older.

Nothing in this era is moving faster than communications. It is literally—and figuratively—moving at the speed of light.

Our problem is whether we are going to move fast enough to keep up with its promise.

I promise you one thing.

I fully intend to attend the NAEB meeting 21 years from now.

I'm not sure it will be held in mile-high Denver.

It just might be held in a thousand-mile high orbiting auditorium.

But one thing I am sure of.

Wherever it's held, the dreams we are dreaming today about what is going to happen in the next 21 years are going to turn out—I guarantee you—to be very old hat indeed.

Mark my words, our dreams today—21 years from now—will turn out to have had one gigantic defect.

They simply will not have been dreamy enough!

Thank you . . . and pleasant dreams.

OUR ELECTRONIC WARFARE PEOPLE ARE NOT ASLEEP

Mr. MONTROYA. Mr. President, little is publicly known and less is publicly said about the realm of electronic warfare. Yet on this sophisticated branch of science may rest the ultimate fate of our country and future of the world.

Men who work in this field on behalf of America are quietly and heroically keeping our defensive and offensive guard up against any potential foes. We know, too, that those potential foes are alert and hard at work on systems aimed at nullifying our main offensive weapons systems.

The more I discover about this field, its men and their work, the more amazed I become and the more respect I have for what is being done. No realm of science fiction contains more imagination—staggering situations than electronic warfare. It behooves us not only to be aware of what is transpiring, but to recognize contributions being made almost daily by these researchers.

Mr. Jack Robertson of this city happens to be unusually well qualified to discuss numerous aspects of this field of work. He has done full justice and more to counter countermeasures developments in electronic warfare. His recent article in the January 22, 1968, issue of *Electronic News* dealing with this subject is eminently worthy of notice by those who wish to be informed on this field. I commend it to my colleagues, and ask that it be inserted in the CONGRESSIONAL RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From *Electronic News*, Jan. 22, 1968]

WHAT'S HAPPENING IN COUNTER-COUNTER-MEASURES?

The "hidden war"—involving the use of sophisticated electronic equipment to get through enemy jamming and radar deception—continues to involve a lot of work behind the scenes.

As better offensive electronic countermeasures come into play, an equal push is mounted to counter their effectiveness.

A private market survey taken for a major electronics firm forecasts \$800 million in military spending to upgrade radars within the next 4-5 years. Most of this would go for improving radar countermeasures against enemy jamming and deception.

Frequency hopping, spread spectrum and pulse coding are now going into operating radars and communications sets to get through more powerful enemy jamming.

As new ECM techniques are developed, new counter-countermeasures (ECCM) schemes must be devised to meet these threats.

Frequency varying radars are coming into play as a method to minimize conventional jamming. With them the enemy cannot concentrate all his jamming energy on one frequency since the radar may hop to three

or more frequencies randomly within the band.

Hopping Frequencies: The easiest frequency hopping is between several fixed frequencies within a band—a technique used by the Soviet SA-2 anti-aircraft missile radars. However, this technique can be defeated by using multiple jammers tuned to each of the frequencies simultaneously—thus no matter which frequency the enemy jumps to, he faces jamming.

Designers claim a jammer has good chances for taking out any signal that "covers only a 20 megahertz bandwidth.

ECCM gains an edge again by using wide dynamic frequency hopping over an entire band. This is becoming possible with new, rapidly sweeping magnetron tubes, which can generate an almost infinite number of frequencies within the band.

Several methods of frequency hopping exist. Litton Industries and Varian Associates use diaphragms to achieve rapid tuning for switching frequencies. Raytheon has developed a master oscillator pulsed amplifier (MOPA) chain to get frequency hopping with a traveling wave tube concept.

Amperex Electronic Corp. has developed a magnetron using a spin rotor inside a vacuum cavity to shift to any frequency over a 500 megahertz bandwidth. Since the rotor spins at 4000 rpm, a rapid switching of frequencies can be achieved. As the rotor spins, the magnetron is fired when the rotor finger and corresponding cavity groove match for the desired frequency.

Pseudo-Random Sequences: The magnetron is fired by computer command. And a pseudo-random sequence of frequencies can be transmitted which the enemy cannot track, said P. F. La Forte, Amperex product manager. The spin magnetron is now being used in six classified prototype military airborne, ship, and ASW radars.

Some ECM tactics to take out such wide-hopping radars use narrow-band jumpers, sweeping them rapidly over the band. Several such sweeping jammers—each sweeping differently—might knock out enough signal return to degrade or confuse the radar.

The ECCM field grows in complexity. For example, Airborne Instruments Laboratory (division of Cutler-Hammer) is building a deception repeater that will accept the enemy's frequency-hopping radar and retransmit it in a decoyed manner.

Frequency hopping—even with the widest sweeps—is not the ultimate ECCM system, however. Broadband power tubes are being developed that may jam out an entire band effectively.

Pulse compression and "burn-through" techniques may then prove more effective ECCM tactics, industry sources said. Pulse compression, or chirping, takes a regular radar signal and compresses it to a great spike height. Thus the jammer may be able to blot out a portion of the signal, but not all of it.

Pulse compression, essentially a signal processing technique, can be used with frequency-hopping radars to burn through broad-band jamming.

Pulse compression codes each radar pulse transmitted—with the received pulses then stored in delay lines. This compresses the returned signal so that a target can be easily picked out of a jamming or noise background.

Microwave limiters and various filtering techniques are also used in ECM to pick a signal out of the high noise jamming.

The Role of Integrated Circuits: Up till now, complex, ECCM electronic signal processing has been done in separate subsystems. But the growth of integrated circuits now makes possible signal conditioning at the radar receiver.

A new technique to defeat jammers is polarization agility. Even if the enemy has enough power to knock out the best ECM signal, the radar changes polarization.

A companion ECCM technique to pulse

compression is spread spectrum—now gaining wide favor especially in communications systems. As its name implies, spread spectrum takes a narrow-band signal and spreads it over a broad band. Thus an enemy jammer at one frequency can only take out a fraction of the signal.

Details of spread spectrum are tightly guarded. However, it was learned that a kilohertz channel can be modulated to space out the signal over a megahertz band.

A variation is to spread the signal over part of the band to get higher average power—and then hop this modified spread spectrum within the band.

Other ECM tactics that must be met include various radar deception schemes. Already in operational use, radar deceivers attempt to receive and alter the radar pulse to create a false target—or to impose a brighter false target overtop the real radar return.

Defense Against Deception: The ECCM defense against deception is coded pulse or matched filter technique. The enemy radar deceiver cannot easily duplicate the complex pulse—thus revealing itself to be false. ECM deceivers, however, are now going broadband to pass the received radar pulse with all its modulation, with ECCM now going to broadband coding as a defense.

Angle tracking antennas can also be used with search radars to find the direction of all returned pulses—thus picking out the false radar repeater.

Varying the pulse rate can also throw off radar deceivers, it is said.

The battle between jammer and attacker continues, with electronics being piled on top of electronics. When large-scale integration arrays come into full play, developers expect another ECM explosion—since electronics will then be able to provide even greater air and missile trickery.

JACK ROBERTSON.

WASHINGTON.

GAS PIPELINE SAFETY

Mr. HARTKE. Mr. President, yesterday afternoon in the small suburb of Ingram, located just outside of Pittsburgh, Pa., a gas explosion cost the lives of six persons. Three other persons are missing and are presumed dead, and at least 20 persons were seriously injured in the explosion.

During the last session of Congress, I chaired hearings on S. 1166, the gas pipeline safety bill, and affixed my name as a cosponsor, along with Senator WARREN MAGNUSON, chairman of the Committee on Commerce, when the measure was brought before the Senate for final passage.

The bill is now before the House Interstate and Foreign Commerce Committee. It is my hope that the House committee will act with great dispatch in this vital area of consumer legislation so that an explosion such as the one that cost the lives of six persons in Ingram may well be averted in the future.

I ask unanimous consent that an article which appeared in today's Washington Post may appear in the CONGRESSIONAL RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SIX DIE, THREE MISSING IN EXPLOSION—20 HURT

PITTSBURGH, January 30.—Six persons were killed and three others were missing and presumed dead today in a spectacular explosion that leveled two buildings where utility workers were searching for a gas leak.

At least 20 persons were injured.

Five of the dead were members of a 14-man Equitable Gas Co. crew that was boring test holes in suburban Ingram to determine the source of the leak. The other victim and those missing have not been identified.

Herbert Wolstoncroft, who operated an insurance building at 2 Ingram st., said the walls and ceiling of his office collapsed.

"I ran up the street to a drugstore. When I got to the street, a crew of workers from the gas company was there. Their faces and hands were covered with blood," Wolstoncroft said. "A woman was being dragged from one of the buildings. All of the glass in the store fronts on both sides of the street was smashed."

Frank Sulzer, 23, of McKees Rocks, was waiting in his car for a red light to change when the explosion shattered the neighborhood.

"It moved my car four or five feet sideways, then the building came down on my car," Sulzer said. "I ducked down in the seat and said a prayer. I figured that more would be coming down, and I just stayed there."

The row of two-story buildings housed an assortment of small businesses—a beauty shop, a tailor shop, two real estate offices, a laundromat, a cleaning shop, a radio shop. Apartments were on the upper floors.

The neighborhood looked like a battle-scarred town. Splintered lumber and pulverized bricks lay in piles, and a stubborn fire sent a pall of smoke through the area. Bits of clothing, blown out of buildings by the explosion hung limply from power lines.

A gas company spokesman said the men were working on a 4-inch low-pressure main and that the gas had been turned off at the curb bordering the buildings.

"At this time, we have no idea what caused the explosion," the spokesman said. "The investigation is continuing."

Five of the dead workers were identified. They were Andrew T. Hanna, 39; Edward Boyce, 52; Robert J. Kuzemko, 33; William J. Mullooly, 37; and Herbert Snyder, 52.

Rescuers at one point heard what they thought were moans coming from the debris. They dug frantically for an hour and uncovered a small, terrified dog.

RAINFALL INCREASED OVER NON-MOUNTAINOUS AREAS BY SOUTH DAKOTA SCIENTISTS

Mr. McGOVERN. I am very proud, Mr. President, to call attention to a revelation made Monday of this week at the annual meeting of the American Meteorological Society by South Dakota scientists—scientifically documented evidence that rainfall has been increased by seeding cumulus clouds over a nonmountainous area. The increase was in a 5- to 15-percent range.

The results of tests conducted by the South Dakota School of Mines Institute of Atmospheric Science were made public in a scientific paper read at the meeting by Dr. Arnett Dennis. It was prepared by Dr. Dennis and Alexander Koscielski, another meteorologist on the institute's staff, who have been working under the direction of Dr. Richard Schleusener, director of the institute.

The work has been supported by the school, the National Science Foundation, and the Bureau of Reclamation.

The paper presents positive evidence for the first time of increased precipitation over a nonmountainous area. A year ago, Bureau of Reclamation scientists

advised the Interior and Insular Affairs Committee that they have developed techniques which can increase runoff in the Colorado River by about 2 million acre-feet annually through seeding mountaintop country, above settled areas, in that basin.

I ask unanimous consent, Mr. President, to place in the RECORD a United Press story on the announcement which appeared in the Huron Daily Plainsman on Monday, January 29.

I am tremendously pleased, and I know that the Senator from New Mexico [Mr. ANDERSON] and the Senator from Washington [Mr. JACKSON], chairman of the Committee on Interior and Insular Affairs, and others who have done all they can to get support for an accelerated research program on inducing precipitation, will be equally pleased with this announcement.

I am equally sure, that they will join in another effort this year to give an accelerated weather modification research and development effort the sort of Federal financial support that is required.

For a good many years, work on increasing rainfall, and on suppressing lightning and hail, has been conducted by a few determined pioneers with a comparative pittance of financial support, and for a good many years with the covert opposition of some segments of the scientific community.

Three years ago reports of the President's scientific advisers and the National Science Foundation confirmed evidence of man's ability to modify weather. Since that time, Senator ANDERSON and some others of us have attempted to get \$5 million appropriated to launch an adequate program of research, development, and testing of techniques for increasing precipitation.

Congress has increased the funds of the small Bureau of Reclamation program in the field in a few Western areas. But, in face of war costs and the budget situation, we have not yet finally approved funds to launch an adequate national program. The Senate approved \$5 million for the purpose last year, but it was deleted from the appropriations bill in conference because of the necessity of saving funds.

Funds that are going into this work—plus all the funds that are asked for it, Mr. President—are really a pittance compared to the billions we are pouring into space exploration and, more recently, the development of a supersonic transport plane of questionable utility.

It is my own opinion that, although it is not in the budget for 1968, Congress ought to order work started on the plan for development of techniques to increase rainfall in the various atmospheric environments which exist in the United States; we need to get started at it now and not wait for another drought to hit New York and the Eastern States.

The potentialities for future benefits from "milking the clouds" are so large, yet so far away in time because of the research which must be done, that we should not waste another year, or 2 or 3 years, getting started.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

CLOUD SEEDING WORKS IN SOUTH DAKOTA, PAPER REVEALS

RAPID CITY.—Cloud seeding does work in South Dakota. That is the gist of a paper delivered Monday at the 48th annual meeting of the American Meteorological Society in San Francisco by Dr. Arnett Dennis, associate director of the Institute of Atmospheric Sciences at South Dakota School of Mines and Technology.

The paper was prepared jointly by Dr. Dennis and Alexander Koscielski, a meteorologist of the institute's staff. Their conclusion is that seeding cumulus clouds can stimulate them to produce additional rainfall.

In commenting upon the results, Dr. Richard Schleusener, director of the institute, said, "Our results are the first from a randomized experiment in the United States indicating rainfall increases in nonmountainous areas by seeding summertime cumulus clouds. As these clouds are the principal source of rainfall over the Northern Great Plains, the results are of great importance to this region."

The research was conducted as part of Project Skywater, a large-scale effort by the U. S. Bureau of Reclamation to develop water resources through weather modification.

Dr. A. M. Kahan, chief of the bureau's office of atmospheric water resource in Denver, commented "demonstrating that rainfall from convective clouds can be increased over substantial areas is an important contribution to the Bureau of Reclamation program, and can have significant impact on future water resource planning."

The conclusions presented in San Francisco are based upon two years of intensive research in the Rapid City area. Target areas extended from the Black Hills onto the plains were laid out north and south of Rapid City. On a given day one or the other area was selected at random to be seeded, and the other area was left unseeded as a control.

Rainfall in both areas was measured twice daily by a force of nearly 100 volunteer observers.

The seeding experiments run from May 15 to Aug. 15 each year, and involve a large amount of equipment, including radar, aircraft and silver iodide generators. Instructions to the seeding aircraft are radioed from the institute's radar facility east of Rapid City.

The rainfall data from the experiment were placed on punch cards and analyzed on Tech's computer.

As Dr. Dennis notes, "without the computer the analyses completed to date would have taken much longer, perhaps two or three years."

The statistical tests used show that rainfall in the north target areas tended to be heavier on days with seeding north of Rapid City while rainfall in the south target areas tended to be heavier on days with seeding south of Rapid City.

The rainfall increases are estimated at 5 to 15 per cent of the summer rainfall. Research is continuing to refine the estimate of the rainfall increases and to determine whether or not better seeding methods can be developed.

KING'S PLANS AND DEMANDS

Mr. BYRD of West Virginia. Mr. President, the disruptive demonstration that the Reverend Martin Luther King is planning for the Nation's Capital in the spring has been the subject for comment by other Senators several times since the plans were announced last fall.

Some detail about what King and his followers propose to do is contained in a rather comprehensive article that appeared in the Washington Post Sunday, January 28. I believe it is of interest

to the Members of the Senate and the House to be aware of some of King's reported plans, his words and actions.

In this article, it is indicated that this man may be "going for broke" in the demands he says he will make upon the Congress and in the way that he proposes to enforce his demands. The Nation's Capital and other cities must be ready for any eventuality.

I ask unanimous consent that the Post's article be inserted in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

KING "GOING FOR BROKE" ON APRIL DRIVE FOR POOR

(By Jean M. White)

ATLANTA, January 27.—The Rev. Dr. Martin Luther King Jr. has said he is "going for broke" with his poor people's campaign in Washington in early April.

This could very well mean both philosophically and personally—both as an apostle of nonviolence and as a moderate leader of the Negro revolution.

For the poor people's campaign will be a turn in the road and a severe testing of both the philosophy of nonviolence and King's standing as a Negro leader.

Dr. King, the preacher, could speak eloquently of his dreams of an integrated America to the buoyantly hopeful middle-class crowds of the 1963 March on Washington. But this spring he will be leading troops of embittered, hopeless, frustrated poor. Some will come from big-city ghettos that went up in flames last summer.

And the moderate leader plans to "escalate nonviolence to the level of civil disobedience." This could mean a tent-in across from the White House, sit-ins in hospitals and Government buildings, disruption of city functions—acts that may well try white patience as well as the white conscience.

Top aides at the Southern Christian Leadership Council headquarters here say King carefully weighed the risks of such action and agonized deeply over them.

It came down to a belief that there may be just one last chance for nonviolence to force social change before more riots scar the Nation's cities. If it was dangerous to act, Dr. King concluded, it was a greater risk not to act.

The answer is a 1968-style "militant" nonviolence as an alternative to militant violence.

"We've been hesitant about this kind of action because we felt Congress and the country might be so sick that they might not respond," the Rev. Andrew J. Young, Dr. King's trusted lieutenant and policy adviser, explained.

"Then we decided we had to go ahead. Things just weren't getting any better. Something had to be done about the poor people before summer."

SAME DESPERATE DESPAIR

The idea of the "poor people's campaign" began to jell last fall. King and his aides talked with white editors and black nationalists and found they shared the same desperate despair over what another summer of riots might do to the Nation.

"Then a group of poor people from Mississippi came here and asked us to lead them on a wait-in in Washington," Young recalls. "Things were bad for them and were not getting better. So the only thing they could think of was to go to Washington and just stay there until something happened."

As King sees it, a new kind of Selma or Birmingham is needed to dramatize the economic plight of the Negro and compel the Government to act. He also personally needs something dramatic to shore up his leadership among the Negroes if he is to be heard above shouts of black power.

Since the Montgomery bus boycott of 1955, nonviolence and King have won significant victories for the Negro. But some Negroes are asking: "What have you done for me recently?" The last victory was the Voting Rights Act of 1965.

So King is "going for broke" with his poor people's campaign in Washington, a call for a new-style massive and militant nonviolence.

To head up the Washington camp-in, King has enlisted the Rev. Bernard Lafayette, Jr., a former field secretary of the Student Nonviolent Coordinating Committee, as SCLC program administrator.

Lafayette, the tactician, is playing it close with specifics on his strategy. He says he wants to keep the options open.

HIS BATTLE PLAN

But the battle plan of King's poor army shapes up like this:

About 3000 poor persons, recruited in ten cities and five rural areas and trained in the discipline of nonviolence, will come to Washington, probably the first week of April—Cherry Blossom time and the height of the tourist season.

They aren't coming for a one-day stand. It won't be for the old-style marching in the streets in the South. King has called it a "camp-in" and likened it to the bonus army of the 1930s.

"They might as well create a shanty town in Washington since they live in shanties," says Young. "Spring in jail in Washington won't be too bad. It will mean three hot and a cot, which they don't have now."

In an interview in the current issue of "Christianity and Crisis," Young talks of "types of protests that could dramatize the problems" of the poor and mentions these:

"A thousand people in need of health and medical care sitting in around Bethesda Naval Hospital so that nobody could get in or out until they get treated."

"Thousands of students going down to Health, Education, and Welfare, saying we know we got out of the twelfth grade reading at a sixth grade level and will always be that way until the right kind of money and resources are put in education."

"The way Washington is, a few hundred people on each of those bridges would make it impossible to get in or get out—at least extremely difficult. . . . I would tend against that, except as a last resort, because it's not directly pointed to the problem."

Young said this was "more preaching than policy." But these are obviously tactics King's strategists have thought about.

TO DEMAND CHANGES

"If bridges are tied up, babies are also dying of hunger in Mississippi," Lafayette argues. " . . . We are not coming to Washington with the aim of disrupting Government or the city. We are coming there to demand changes in unjust conditions. Congress will decide on what happens."

After the first week or so, Young says the vanguard of poor may be augmented with college students, housewives, and other middle-class supporters of liberal causes.

"Anything in America has got to end up middle-class," he observed with a smile.

" . . . But we are not counting on anyone but the poor people now."

Young said King's poor people's army will include some whites from Appalachia, Mexican-Americans, Puerto Ricans and Indians. But it will be predominantly Negro with tokenism for the other groups.

There have been reports that King has been under pressure to turn the Washington camp-in into a black people's campaign. Also, there have been fears of a takeover by extremists. One unknown factor is Black Power militant Stokely Carmichael, now in Washington.

King's aides insist the two Negro leaders haven't talked directly yet but may when the SCLC board meets in Washington Feb. 6 and 7.

Young minimizes the danger of an extremist coup. The 3000 vanguard, he emphasizes, would be a group disciplined in the philosophy of nonviolence. And King has said publicly that he will abandon any protest that is taken over by violence.

There are also other risks for King's new-style militant nonviolence. In an election year, will he play into the hands of the white backslashers and prejudice his own case? Isn't white America likely to resent particularly civil disobedience in the Nation's Capital?

King also faces the danger that the campaign may fall flat on its face. It took villains like Bull Connor and the murderers of the Rev. James Reeb to win the victories of Birmingham and Selma.

This time Congress is cast in the role of a villain. Privately, King's aides hold little hope for quick Congressional action on the list of demands that King is expected to present. It probably will include such King proposals as a guaranteed income, a \$20-billion-a-year program to help the poor, a \$1000-per-pupil expenditure in ghetto schools.

But King's appeal will be over the heads of Congress to the conscience of the Nation.

DISAPPEARING FARMS

Mr. McGOVERN. Mr. President, an old friend of agriculture and a member of the National Advisory Commission on Rural Development of the Department of Agriculture, has raised a question in a letter to Farmland, published by Farmland Industries, a cooperative at Kansas City, which I think this Congress is going to have to answer in the very near future.

The author is Stanley Andrews, now at Alamo, Tex. The question he raises is whether or not we are foolishly letting technology destroy a great many social values, and economic values, in our American agricultural system.

I think it is time for cooperatives, farm organizations, and everybody else—agricultural colleges, too—to begin thinking about what the expansion of corporate agriculture based on technology is doing to people, aside from the economic factors involved.

Mr. Andrews challenges some current planners' concept that most of our small towns have to be wiped out along with family-type farms with centers of government concentrated in a few cities in each State.

Mr. President, I ask unanimous consent that Mr. Andrews' splendid article be printed in the RECORD, and I urge Senators to read it. We are going to be asked in this session of Congress to approve or disapprove one or more proposals for making a really basic study of the effect of technology on the social structure, in and out of agriculture. I expect to have more to say on this subject soon. It is a subject I hope we will give some careful attention in preparation for decisions we must soon face.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

DOES FARMER DUMP SOCIAL PROBLEM ON CITY IN WAKE OF GETTING BIGGER?

I was struck by the article on the front page of the Nov. 30 issue of Farmland headed: "Wanted 550,000 New Non-Farm Rural Jobs Yearly." It seems to me this is very significant and a very pertinent observation not only for agriculture, but for everybody in the nation. It relates quite generally, as I see it, to the overall problem of the lower 20% to 25% of our rural population which is well

below the poverty line, and is one of the real problems in this country.

It also relates to the drying up and the decay of rural communities, admittedly some of which probably should dry up and die away; but I have serious doubts whether it will be best for the nation to carry this to the extent that some of the planners and some of the economists are advocating.

I happen to be on the National Advisory Committee on Rural Development, which is a rather large—28-member—advisory group which meets periodically with the Department of Agriculture and tries to stir up ideas and give some added thrust to the efforts to rebuild and find jobs in the rural countryside.

This has never been accomplished largely because the economists in the Department somehow always refused to recognize the problem. Even the renowned Food and Fiber Commission skirted the issue completely in its report. What are we going to do, if we do anything, about the continued consolidations of family-size farms into larger units?

They talk about creating jobs, but in the 100,000 family-size farms which went out of existence in the United States last year, there were lost 100,000 jobs, 100,000 family homes, and a great deal of part-time and individual work for people.

At the same time in those very communities, there were young men and women capable, willing and anxious to have this land and to start on the way toward farm ownership. Yet the very economics, or economic power that is being more and more concentrated in the hands of a few big operators simply wipes out these efficient—and they are efficient—medium-size family farms. I am not talking about the subsistence farms. I am talking about the farm from 160 to 340 acres that in most of the midwestern section, with the exception of wheat country, are family units and are capable of supplying a young couple with a relatively high level of income and a decent livelihood.

In the studies I made on this subject in preparation for the book I wrote some years ago, the most efficient farm in this country—from the standpoint of using the labor, the capital, and the whole bunch of resources that go into farm production—was very evident. This farm ranged from 200 to 350 acres and was operated by a family with 95% of the work done by the individual farmer. The farm produced at least three crops, two of which were field crops and at least one was livestock of some kind.

The combination could be soybeans and corn plus hogs; corn and grass plus cattle; corn, soybeans and oats, plus chickens; and so on.

The big farms in terms of unit production possibly have the edge in efficiency. But when you figure 5% on money, 5% on the tremendous investment in machinery, and then assume actually 80 days on the farm, you get an entirely different picture of so-called efficiency.

On the family-size farm, the average number of days of productive labor ranges from about 220 to well above that when you have three crops plus livestock. When you are on a wheat farm, you have about 90 days of actual productive labor for your people and an equal amount of non-production labor for your machinery.

It seems to me that cooperatives as well as farm organizations and economists in the Department of Agriculture feel it is inevitable that all farms will get bigger and that family farms will grow fewer. This will be true if nobody does anything about it. But the point I am making is that with the \$7 or \$8 billion that we are pouring out in the name of agriculture in this country each year, we can do most anything we want to with rural America in terms of an ownership or operating pattern.

I think it is time for cooperatives, farm

organizations and everybody else (agricultural colleges, too) to begin thinking about what this expansionism and rapid technological advance is doing to people, aside from the economic factors involved.

As I see it, we have had no farm policy in the last 35 years except to dump our social problem on the cities and our surplus problem on the world.

I feel that agriculture per se is less socially conscious of the consequence of its apparent development than are some of the big businesses which we usually hail as being menaces to people.

I think it is time for us who are interested in rural America to begin thinking more about people along with the economics of selling the next bag of fertilizer, producing the last bushel of wheat, or the last pound of pork.

STANLEY ANDREWS.

ALAMO, TEX.

DETROIT NEWSPAPER STRIKE

Mr. GRIFFIN. Mr. President, on Monday, January 22, I called the Senate's attention to certain allegations which have been made in connection with the Detroit newspaper strike.

I noted that if the allegations are accurate, certain elements in the local teamsters union have had a proprietary interest in prolonging the current strike, rather than settling it.

I said then that, if reports are true, the situation amounts to "labor racketeering in a new guise."

An Associated Press story published in the January 28 edition of the State Journal, of Lansing, Mich., sheds further light on the Detroit newspaper situation.

In addition, a United Press International dispatch from Detroit today reports on an investigation by a special State senate committee into alleged profiteering during the strike.

Mr. President, I ask unanimous consent that the two articles be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Lansing (Mich.) State Journal, Jan. 28, 1968]

PROBE COULD HASTEN NEWSPAPER STRIKE SETTLEMENT

(By Hugh Morgan and H. L. Schwartz III)

DETROIT.—The chance for fast money. Young men battling for power. Teamsters striking Teamsters. The spectre of a Congressional probe.

These are the ingredients as one of the most tangled newspaper strikes in history builds toward a climax in the nation's fifth largest city.

Pressed by their own international officers and smarting from a charge of "possible labor racketeering," Teamster Local 372 has moved to resume negotiations with the Detroit News which it struck Nov. 16 in a contract dispute.

There have been no talks since Dec. 28 although both the afternoon News and morning Free Press have bargained on nonmoney issues with some of the 13 other unions expected to follow the pattern of a Teamster contract—when and if it comes.

The Free Press closed its doors two days after the News was struck in keeping with a publishers agreement. Neither has put out a paper since.

Willingness by the Teamsters to talk again was the first major break in a strike that many believed—and some still do—could drag well into the spring.

It followed a power play by the union's International Executive Board which backed sending pickets to close the last of three interim newspapers.

The papers, and a fourth that never got the presses rolling, sprung up within hours of the Free Press shutdown and stand as one of the unusual aspects of the strike, 13th to idle Detroit papers since 1955.

One was published by a Teamster and all were in the union's grip because it handled distribution.

"Some Teamsters working on them were making as high as \$800 and \$1,000 a week," says the local's portly, dignified president, Clare O'Connor. However, O'Connor, 59, who is locked in a power struggle with the local's Young Turks, is quick to add that the riches were going to those who were lucky, not dishonest.

There was little doubt that the papers—perhaps unwittingly—were prolonging the strike by filling a news void and keeping strikers' pockets full.

But International Vice President Robert Holmes told the Associated Press he felt "individual selfishness" among local members contributed to the strike.

By crushing the papers, with wage demands they couldn't possibly meet, the union leadership may have added to an unfavorable glare that could doom the burgeoning newspaper industry.

Although not new, it was beginning to feed more frequently on the labor ill of established newspapers in other big cities.

"It'll never be done again—at least by us," said a Teamster source. He wouldn't say how much if any money had been lost by the papers here. But the indication was somebody took a licking.

Labeled a "Vulture Press" in a national magazine article written by two of their own staffers, the 1967 papers hoped to duplicate fantastic profits made by one paper in 1964 during a 134-day strike.

That was one of the longest strikes in newspaper history and reaped for its adventurous, college-student publishers half a million dollars in profit with whopping bonuses to all staffers.

Encouraged, the group moved into Baltimore and considered other cities like New York.

None of the ventures was a success. But none failed so badly there wasn't money left over for the same group to plunge again when the current Detroit strike started.

Besides dealing a possible death blow to future strike papers, the Detroit stoppage holds other portents, raises other questions.

One of the most pressing is: could the News have avoided a strike at all, even if it had met immediately Teamsters demands for \$35 per week hike over three years in the average weekly wage of \$150.

The News offered \$27 a week. There were other demands and offers in the fringe benefit area, but money was the central issue.

O'Connor, early in the evening of Nov. 15, felt the local membership would not strike.

Although there have been 13 stoppages against Detroit papers in 12 years, the Teamsters had never started a major strike and in the past a contract extension had led to settlement.

Hours after O'Connor felt there would be no strike the local voted 361-50 to reject the News' offer and at midnight hit the streets.

Prime mover in the rejection was Elton Schade, 26-year-old secretary treasurer of the local who had been quoted as saying "I want James Hoffa's job without Hoffa's stupid mistakes."

Schade hasn't said he wants O'Connor's job. But he will probably have to get it to vault into the presidency of the 1.8-million Teamsters union which Hoffa ruled with an iron hand until his jailing last year for jury tampering.

Once the strike started, O'Connor faded into the background temporarily and it was

Schade who held the floor at numerous televised news conferences.

Stocky and jut-jawed with close-cropped black hair and an eye that droops from a childhood injury, Schade seemed firmly in command. Then two newsmen who worked for the interim Daily Press wrote an article for the Reporter Magazine that put the spotlight on his ambitions.

"No Comment. No comment," has been his only response to newsmen's queries since, although he added once that he would sue the two writers and the magazine. No suit has been filed yet.

Even while bargainers hopelessly raced the midnight deadline, at least one strike paper was gearing to fill the void should the News be struck and the Free Press close its doors.

The News has filed a suit seeking \$175,000 and \$7,000 a day in damages against nine Teamsters who organized a distributing company for the interim Daily Express.

It also named the paper's publisher, Frank Beaumont, 36, and accused all of them of plotting months before the strike to take over the News' circulation lists and use other secrets.

None of the Teamsters has replied to the suit and newsmen have been unable to find any of them.

Beaumont, who also publishes a suburban weekly, denies the charges.

He says plans—that included incorporation Sept. 26 and efforts to buy comics for mid-November—were part of an effort to publish more weeklies and possibly a Michigan-wide Sunday-only paper.

The other two papers—The Dispatch, published by a Teamster, and the Daily Press, published by the same young men who made a financial killing in 1964—apparently had made no plans before the strike, as far as can be learned.

In a speech on the U.S. Senate floor, Michigan Republican Robert Griffin said last week that Teamster involvement in the strike papers "is nothing less than shameful, selfish" interference with what he called the "basic freedom" of Detroiters to have their regular papers.

"The matter deserves prompt and close attention by the appropriate committees of Congress," he said. "If new legislation is needed I will certainly recommend it."

The following day Griffin made a direct request for the Senate Rackets Committee to undertake such a probe. Simultaneously three state senators called for an independent investigation by Michigan lawmakers.

Griffin, in his speech, also said there was a possibility of "labor racketeering" in the Detroit newspaper shutdown.

"There are no racketeers, no thieves, no goons. There are honest, hard working people here who go to church on Sunday," replied Schade at a local meeting at which it was decided overwhelmingly to seek a quick end to the strike.

Despite the apparent reversal of the tide against Schade, his remarks were greeted with cheers.

"We know he cares. We know he's straight," said one Teamster about the leader of the Young Turks.

"I've known Schade since we were both jumpers (beginners) and I tell you he's straight," said another. "Everything he ever promised to do, he did."

Other Teamsters who walk the icy pavement before the News in temperatures hovering around zero, and who have drawn nothing but meager strike benefits, say they struck for higher benefits and improved wages—and for no other reason.

"If we'd waited past the expiration of our contract and continued bargaining it would have been just a matter of weeks before some other union would have struck and we'd have been that far behind," said one.

Rank and filers also say that one of the factors that sparked the strike was the murder Nov. 4 of a News district circulation manager.

Gerald V. McCullough, 38 and a Teamster, was shot and killed during an armed robbery in a News substation.

Rank and filers say a News official was reluctant to go to the McCullough home to inform the widow and five children and that Schade had to drive another News official to the house. Mrs. McCullough, the rank and filers say, didn't discover she no longer had health insurance until a child fell ill weeks later.

News executives reject the killing as significant in the strike and add that the paper's assistant circulation manager went immediately to the McCullough home. They said that Schade asked to go along and that they went in Schade's car.

The News also said that the insurance policy was a Teamster policy, not one McCullough got through the News, that the paper's personnel department notified Mrs. McCullough that it would expire in 30 days and that the News said a conversion form would be sent.

The incident also sparked a demand for more protection in substations. The News offered a large reward for the killers but declined to pay for armed guards as the union asked.

Ironically, one of three men charged in the slaying is a Teamster.

Despite the growing hue and cry, some voices have yet to be raised about the strike.

There has been no public pressure from any of the other 13 unions and their leaders decline to comment.

A spot survey also shows the public seems apathetic as it continues to watch partially beefed-up television newscasts and apparently reads with satisfaction newspapers that come into the city from the suburbs and from New York and Chicago.

DETROIT.—Some key members of the Teamsters Union allegedly earned up to \$1,000 a week working for interim newspapers during Detroit's newspaper strike, a legislative committee was told today.

Gene Goltz, a reporter for the Detroit Free Press, testified that certain "key Teamsters" who distributed and sold the interim newspapers made huge profits during the current strike by the Teamsters Union.

Goltz testified before a special State Senate committee investigation alleged profiteering during the 77-day-old strike, which has shut down Detroit's two regular newspapers.

Goltz and William Serrin were the authors of an article about the allegations that appeared in a national magazine. Goltz said he wrote the article because of "the possibility that people might have planned the strike to make money."

SOCIAL SECURITY REVISIONS NEEDED

Mr. YARBOROUGH. Mr. President, last December, when we voted the largest social security bill in history, many of us had mixed feelings. The increased benefits were vitally needed by our elderly people, and more than 1 million Texans would have been affected by a delay in the bill, so I voted for it.

But securing that needed increase in benefits was a high price to pay for some of the other features of the bill. The Senate had wisely amended the House version to add several progressive welfare measures which removed restrictive and punitive provisions in the bill. But the conference committee struck these additions out.

Today the distinguished Senators from New York and Oklahoma have introduced proposed legislation, which I am cosponsoring with them, to restore to social security what a majority of the

Senate voted to include last month. It would remove punitive provisions that fall on children and mothers and rupture family relationships. It would remove the "freeze" on the level of the Federal contribution to State AFDC programs. It would remove the compulsion on mothers to work without regard to the need to stay with their children at home. And it would remove those features of the act which make it more profitable for a father to leave his family rather than to stay with them.

Most of the provisions in this legislation were passed by the Senate last year. I supported them at that time, and I wholeheartedly urge their early adoption.

U.S. VIETNAM SOLDIERS DESERVE AMERICAN CITIZENSHIP

Mr. BENNETT. Mr. President, it would seem to be axiomatic that a man who fought in the Armed Forces of the United States in Vietnam and has been honorably discharged should return to share the blessings of this Nation, including the greatest one of all—American citizenship.

However, while this is true for the great majority of American fighting men, it is not true for those who struggle shoulder-to-shoulder with native citizens but who themselves are U.S. aliens and noncitizen nationals.

A poignant case in point has just been brought forcibly to light in my home State of Utah where a young Marine Corps Vietnam veteran—a Purple Heart winner—faces possible deportation to his native Tonga Islands.

The story of Ramon C. Sanft, a 22-year-old Salt Lake City veteran who has already risked more for this country than most native-born Americans do in a lifetime, is one of courage and of sheer determination to become a citizen.

Mr. Sanft came to the United States at the age of 13 to live with relatives while attending American schools.

After attending schools in Provo and Salt Lake City, Utah, he was inducted into the Marine Corps. It was while walking guard duty near the Cambodian border in April 1967 that he first received notice of a pending deportation hearing.

In his own words, Mr. Sanft relates:

People told me I was crazy to get shot at and then come back to a country that might deport me. I could have gone back to Tonga then, but I wanted to serve my time in the Marines.

The young man, who said he thought his service would help him get his citizenship, added:

While I was over there, some Americans were over here burning their draft cards.

Mr. Sanft, who received an honorable discharge as a corporal in November, was awarded the Purple Heart after being seriously wounded when an enemy mine explosion sprayed shrapnel into his body, hospitalizing him for 6 weeks.

The story of Ramon Sanft will, in all likelihood, have a happy ending, as I have been informed that he has just been granted a suspension of the deportation order. However, the danger that he will later be deported to Tonga will continue to exist until Mr. Sanft is ac-

tually granted citizenship. If this possibility becomes reality, I will introduce a private bill to head off his deportation.

But what about the other Ramon Sanfts who are currently fighting in the U.S. Armed Forces in Vietnam and who will return to America to face the same plight?

During World War II a provision was enacted to provide swift naturalization to any alien or noncitizen national who served honorably in the U.S. Armed Forces. Now that we are engaged in another major foreign war, justice demands that this provision be enacted again.

The distinguished Senator from Hawaii [Mr. Fong] introduced during the first session of the 90th Congress a bill, S. 1284, which would provide for the granting of citizenship in these cases. The bill is still pending in the Subcommittee on Immigration and Naturalization.

Because of the urgency of this matter to our noncitizen soldiers who have returned or will be returning from duty in Vietnam, it is my fervent hope that action will be taken on this vital legislation at the earliest possible time.

VETERANS' MESSAGE

Mr. RIBICOFF. Mr. President, President Johnson's message to us relating to veterans' and servicemen's benefits is an encouraging one. It is more than words and phrases—it signals a new emphasis in the benefit program on service.

Veterans legislation has always been based on the fact that benefits were an expression of gratitude: that the veteran had earned far more than we can ever repay. This new legislation being proposed by the President continues this outstanding concept.

With the administrative directives being issued by the President, the service to our returning young veterans will be expanded and expedited. Much more will be done to alert these men and women of their benefits and provide the means whereby they may take advantage of the provisions.

There are new legislative recommendations, too—proposals that are more significant in terms of their value to veterans and to the country than they are in terms of cost.

This is especially true of such measures as increasing the maximum on servicemen's group life insurance from the \$10,000 level set in World War I and raising GI loan guaranty from \$7,500 to \$10,000. Both these steps are necessary if GI benefits are to be as valuable to today's veterans as they were to their fathers. Neither will be costly in terms of the need they will fulfill.

The Veterans in Public Service—VIPS—Act will provide incentives to channel the talents of the veteran to the most urgent needs of rural and urban America today: To teach the children of the poor; to help man understrength police forces and fire departments; to do meaningful work in local hospitals, where skills are short; to fill the ranks of VISTA, to work in youth opportunity centers and in the concentrated employment program.

The past performance of ex-servicemen has shown that they can and will

do all these things. We are asked to provide incentives that will cause even more of them to go into these services.

We can do no less.

PRESIDENT JOHNSON REACTS WISELY TO "PUEBLO" INCIDENT

Mr. YARBOROUGH. Mr. President, our Nation is engaged at this moment in an evolving international drama of incalculable consequences. The recent seizure of our ship *Pueblo* is a reckless act of piracy that has frayed the patience of the U.S. public and threatened an already uneasy peace.

In these hours of crisis, I am most thankful for the statesmanlike restraint that has characterized this administration's reaction to North Korea's arrogant provocation.

This is an incident involving subtle complexities that do not respond to either quick or simple answers, and I stand now to pay tribute to President Johnson for seeking a "bloodless settlement." He has shown great responsibility and great leadership in his handling of this senseless, but extremely volatile, challenge hurled at us by North Korea. It is my hope that his mood of calmness and deliberate reaction prevails as the crisis continues to unfold.

There appeared in the January 29, 1968, edition of the Dallas Times Herald an editorial entitled "A Time for Calmness" that strongly supports the President's intention calmly to pursue a course of firm resolve, tempered with caution. I commend that editorial and ask unanimous consent that it be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

A TIME FOR CALMNESS

In the sudden explosion of feeling set off in this country by the North Koreans' hijacking of the *Pueblo*, we must take care that the heated atmosphere here does not become overheated.

As in all times of crises, this is a time for calmness, a time for hardheaded, realistic appraisals by the citizenry of this nation. Secretary of State Dean Rusk Wednesday advised the North Korean people to "cool it." The same admonition for coolness could well be directed at our own people also.

Certainly, as Dean Rusk also declared, the seizure of the *Pueblo* and its crew is intolerable, and "there can be no satisfactory result short of prompt, immediate release of the ship." The ship and its crew must be returned. The Communists' arrogant challenge to our pride and our prestige precludes any other result. Just as compelling is the fact that if the Communists succeed in defeating us on this issue, they will be encouraged to go on to further acts of provocation, less deterred by fear and consideration of the consequences.

Nevertheless, hotheaded demands for immediate military retaliation, whether by congressmen or an excited public, are at this point premature.

The President is acting wisely in his cautious, carefully calculated, though determined, moves through diplomatic channels to secure a "bloodless settlement of the *Pueblo* crisis." A number of diplomatic paths are still open to this end, not the least of which is persuading the Russians to use their influence to convince the North Koreans that the ship and crew must be released.

Continued pressure must be, and undoubtedly will be, kept on Moscow to inter-

cede with the North Koreans, even though initial efforts in that direction have failed. The Russians undoubtedly have their apprehensions about the possibilities of a war which could push the North Koreans into the embrace of their mortal enemy, Red China.

The gravest danger of precipitate military action now appears to be the implied threat by the North Koreans that they might try the captured Americans, the threat that the crewmen "must be punished by law."

The North Koreans must be solemnly warned that any such action would inflame the anger of the American people to the point where military reprisal would be almost inevitable. Surely the Communist government of North Korea will not choose to visit such a catastrophe on their people, and surely a "bloodless" settlement can be achieved.

TRIBUTE TO THE FOUNDER OF BOB JONES UNIVERSITY

Mr. THURMOND. Mr. President, of the numerous articles and editorials written to praise Dr. Bob Jones, Sr., the most heartstirring is the one entitled "A Tribute and a Pledge," written by his son, Dr. Bob Jones, Jr. I ask unanimous consent that this eulogy to the founder of Bob Jones University by the president of this Christian university appear in the CONGRESSIONAL RECORD at the conclusion of my remarks.

There being no objection, the eulogy was ordered to be printed in the RECORD, as follows:

A TRIBUTE AND A PLEDGE

(By Dr. Bob Jones, Jr., for the funeral of his father, Dr. Bob Jones, read by Dr. Edward Panosian)

This should not be a day for weeping. This is a time for rejoicing. This should not be a moment of sorrow. This is an hour for gladness. A fight has been fought, a race has been won, a crown is laid up. Nevertheless, such is our human weakness that a son cannot today trust himself to speak and must therefore ask another to read the words which come from his heart.

It should not be thought strange that a son has written a father's eulogy. Aside from my mother, I am sure I knew my father better than anyone else. Others have seen him in the vigor of his great evangelistic campaigns; but I have known him in the quiet of the home as well. Others have listened to the sound advice of his chapel talks; but I have known, too, his chastening love and fatherly counsel in the private and quiet hours of my youth.

Faithful associates have borne with him the burden of the ministry of Bob Jones University and shared with him the fulfillment of his vision; but I saw the birth of the vision and knew not only the reality of his achievement, but also the burden upon my father's heart to which the University owes its existence.

Yet the language shall be limping, the picture unfinished, the story badly outlined. Only the pages of God's heaven can reveal the measure of his life; only a recording angel report it fully.

Some say that it is only human to be inconsistent; but my father, who was of all men most human in his sympathies and understanding of man's weakness, was the most consistent man I ever knew. In private as in public he never turned for a moment aside from the principles by which his actions were shaped or departed in his own living from the convictions which fired his public statements and molded the lives of other thousands who sat under his ministry.

He was sure that he was right because he drew his convictions from the well of God's Word and rested his principles upon the sure

foundation of the Infallible Truth that is forever settled in Heaven. Because he would not sacrifice what he knew to be Truth for the pleasing of men, because he would not yield to the pressures of changing opinions or soften to accommodate to the softness of compromise with apostasy and sin, his enemies—and he had many, as all God's true servants have since the days of the Old Testament prophets—called him "bitter" and "unloving" and "stubborn."

Stubborn he was on matters of principle—thank God—but never on lesser things like method and means. Bitter and unloving he never was; and such was his nature that he could not be.

"Disloyalty," he often said, was "an unpardonable sin" where he was concerned. Loyalty to the cause he demanded in those who associated themselves with Bob Jones University; but I have seen my father when betrayed by one he trusted—one who in fact owed him more than could ever be repaid—moved not by bitterness but deep grief, try to understand a heart which many men would despise; and try to account for the actions which deserved to be condemned. I have seen him, exhausted by lack of sleep and racked with physical pain, spend hours in loving effort to help a man whom he knew was no friend.

He was not a patient man—either with himself or others—but he was a long-suffering man. How often have I heard him say, in deliberate disregard for grammar, "You can't do nothing for a fool"; and yet how often have I seen him try. His greatest weakness was his trustfulness. My mother and I have often said to him, "You take people at their face value too readily." Because he was so open and honest in his own heart and his own actions, he could not bring himself to believe—until he was faced with the proof—that others might not be all they pretended to be. He preferred to believe the good rather than the bad. He preferred to suffer the disappointment of being betrayed by one unworthy of his trust rather than to risk thinking a good man bad.

At every other point Bob Jones had amazing gifts of perception. From the pulpit and in private conversations he might irritate his hearers with the truth about themselves; but so keen was his mind and so dynamic his personality he could never bore them. How often have I heard a student say, "I'd rather hear Dr. Bob preach the same sermon half a dozen times than listen to most men preach a new one." And no man who sat for a while under his ministry was ever able to escape completely thereafter from the impact of his words and the impression of his personality. Even those former students who have, for denominational approval or selfish gain or for lack of character, "sold God out" and betrayed the Lord that bought them—even they are still, years after, quoting his sayings (without acknowledging their source, of course) and preaching his sermons (mangled and emasculated and without the force of their author's conviction and that anointing of God which rested upon the man from whom they took them).

He had a way with words. He could paint pictures with language which were more moving than those a fine artist brought to canvas with his brush—yet never did his language soar higher than the thought. He delighted the ear to touch the heart. His homely philosophy is preserved bit by bit—like flies in amber—in the hearts of his "boys and girls" in the pithy sayings that have given direction to many a life.

"Good men are always reasonable men," he was wont to say; and I have found that he was right in that as in so many other things. And my father was himself the finest proof of it. He never expected perfection of others, but sought it in his own undertakings and was always himself most conscious of his own shortcomings. He had a gift for recognizing hidden talents and unrealized

possibilities in the lives of young people; and many of you present today are spending yourselves in the Lord's service because of that sure sense of my father's that saw and awakened in you gifts you never dreamed you had.

What an unusual combination he was: at once deeply spiritual and intensely practical. Possessed of the gift of "the discerning of spirits," he could also discern a good business deal; and the financial stability of Bob Jones University gives the lie to the old adage that "good preachers are always poor businessmen."

Character and integrity were the qualities he most admired. "You can borrow brain," he used to tell us, "but you cannot borrow character." He said to me, "A man of bad character is better than a man with no character at all. Get him converted and he'll be a strong Christian; but a spineless man is no good to God or the devil."

Quick to recognize greatness in others, he never, I am sure, recognized the greatness in himself. As deep as was his faith, he used to rebuke himself for lack of it and declare, "I have never had the measure of faith God gives to some men." Then he would add, "But I have found if you act as if you had faith you'll find things come out as well as if you had it; and that develops faith." He worked as if everything depended upon him and trusted as if all depended upon God. His faith was like a child's; his efforts those of any army.

He understood weakness and could sympathize with it; but he never could be for very long patient with it—especially in a Christian. And yet he found it difficult to be stern with a penitent student who had repented the same failure a dozen times before. Looking back, I can see now what an effort it cost him to punish me when I was a child; but his strong character demanded the effort, and he made himself make it.

How he loved children! How, indeed, he loved people! So great was his interest in them that he took on their burdens and shared the secrets his sympathetic understanding led them to pour out to him when they would not open their hearts to anyone else.

My father responded intensely to beauty; but he preferred the colors of God's sunsets to the colors in a painting of a sunset. He loved the old hymns. It was, I am sure however, the words to which his heart answered and not the notes, for he could never carry a tune; but "When the Lord comes," he would tell us, "I'll dip my tongue in the melody of the sky."

A man of deep sentiment, he loved to dwell on the memories of his boyhood and of his godly parents; and no man ever had deeper affection for his family than he had for us.

He loved the souls of men and spent his life striving to bring the lost to Christ. Even in these last months, old and forgetful in other things he never forgot to inquire about the salvation of a visitor he did not remember or recognize. Nor did the ravages of time touch or mar his power in prayer.

But above all, he loved Jesus! "If there were one drop of blood in my veins that did not flow in love for Christ, I'd ask a surgeon to open that vein and let it out." This was the testimony of the evangelist who had met his Saviour at the age of eleven under the dim lamps of a country church in southeast Alabama and who grew up to take the light of the Gospel around the globe and to build the world's largest Christian educational institution.

Almost every boy looks at his father and sees in him a great man. How few men at fifty-six can look upon the venerable face of a dead parent and realize their boyhood opinion confirmed a hundredfold. What a heritage he has left his son! His was a life of many talents, well invested, yielding for his Lord a return abundant. I would I might

stand before God with his record or receive the reward for his faithfulness.

His is a fight well fought, a course well run, a faith well kept, a crown well won!

Having spoken as my father's son, it is time now for me to speak as his successor. The tired warrior rests, but the battle rages. The strife-scarred hero takes his repose, but the war continues. The great man is gone, but the work remains. The founder is departed, but the institution stands.

We will not betray the dead. We cannot avoid the challenge. We shall not flee the task. We would not escape the opportunity he has bequeathed to us. Here in the sight of his God and ours—standing beside this casket—we dedicate ourselves, our lives and talents afresh to the continuation of the ministry of the Gospel and the purpose for which he founded the institution which is at once his greatest achievement and his finest monument.

If it is the Lord's will, Bob Jones University shall continue to grow in its physical equipment and its scope, its outreach and its influence. But it shall stand unchanged and unchanging in its purpose and its philosophy. As long as it please God and the Board of Trustees that we shall be entrusted with the administrative responsibility of this university, Bob, III, and I shall continue unyielding in our warfare against Anti-Christ and shall undertake to assure that Bob Jones University shall remain a lighthouse of God's Truth amid the lengthening shadows of a great apostasy. We shall, in the words of our charter: "conduct an institution of learning for the general education of youth in the essentials of culture and in the arts and sciences, giving special emphasis to the Christian religion and the ethics revealed in the Holy Scriptures, combating all atheistic, agnostic, pagan and so-called scientific adulterations of the Gospel, unqualifiedly affirming and teaching the inspiration of the Bible (both Old and New Testaments); the creation of man by the direct act of God; the incarnation and virgin birth of our Lord and Saviour, Jesus Christ; His identification as the Son of God; His vicarious atonement for the sins of mankind by the shedding of His blood on the Cross; the resurrection of His body from the tomb; His power to save men from sin; the new birth through the regeneration by the Holy Spirit; and the gift of eternal life by the grace of God."

Our students shall be continually reminded of their obligation to reach all men with the Gospel and of their privilege of being soul-winners. The banner our founder raised here for the Lord Jesus Christ shall never be lowered. These colors we will never dip. The trumpet shall not cease to sound from these battlements nor shall that trumpet sound be muted or uncertain. God's Holy, Infallible, and Living Word shall continue to be the Sword of our warfare and the Light of our path. We shall not depart from Its precepts, cease from Its proclamation, or grow weary in Its defence.

This is, I say, not a moment for weeping. This is a day of challenge. This is not a time for sorrow. This is an hour of dedication! I call upon all the members of the University family—Trustees, faculty, students—young and old—upon the far-scattered alumni, upon the former students who are faithful to the institution that gave them their training and touched their eyes to see the vision of a needy world—upon you all I call—surrender your hearts afresh to the Christ Whom our founder loved and served for more than seventy years.

Nothing is worthwhile that is not done for eternity. The brick of these buildings may go back to clay; but the living stones laid in the Temple of God through the founder's preaching are there forever. Let us build upon the foundation of God that standeth sure. Our founder was surely sent of God to meet a great need in his day. But the God of Elijah is the God of Elisha as well. The mantle has

been dropped. We take it up in humility of heart and with reverent hands.

We thank God for the faithful friends who support this institution and who pray for this ministry. To them I say we need now, more than ever, the weight of your intercession behind us, the upholding hands of your petitions before the Throne of God. Cease not day and night to pray for us. The weapons of our warfare are not carnal but spiritual.

To any present on this occasion or who hear this service broadcast or read these words in print and who have never put their trust in Christ, I say this: the same One who could take over the heart of a little country boy and make his life one of blessing to untold thousands can save you and bring you from death to life eternal. Nothing ever rejoiced my father's heart so much as seeing a man or woman come into the saving knowledge of Jesus Christ. May this be the moment when you shall receive Him as your Saviour.

To those of you saved under my father's preaching or living in the service of Jesus Christ because of his influence, and to all of you who rejoice with them in the Blessed Hope of Christ's glorious appearing, I would leave this final reminder and this assurance: God knows the future. Our times are in His hands and we are His. To Christ be the glory! His Kingdom is forever.

CONCLUSION OF MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Is there further morning business? If not, morning business is concluded.

Mr. BYRD of West Virginia. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

INTERFERENCE WITH CIVIL RIGHTS

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 705, H.R. 2516.

The ACTING PRESIDENT pro tempore. The bill will be stated by title.

The BILL CLERK. A bill (H.R. 2516) to prescribe penalties for certain acts of violence or intimidation, and for other purposes.

The ACTING PRESIDENT pro tempore. Without objection, the Senate will resume the consideration of the bill.

Under the previous order, the Chair recognizes the Senator from Delaware [Mr. WILLIAMS] for a period of 1 hour.

CALL OF THE ROLL

Mr. BYRD of West Virginia. Mr. President, if the Senator will yield briefly, I should like to suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. Does the Senator yield for that purpose?

Mr. WILLIAMS of Delaware. Yes; I yield.

Mr. BYRD of West Virginia. I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The bill clerk called the roll, and the following Senators answered to their names:

[No. 4 Leg.]

Anderson	Hollings	Pell
Bayh	Jackson	Prouty
Bennett	Javits	Proxmire
Bible	Jordan, N.C.	Randolph
Boggs	Kennedy, N.Y.	Ribicoff
Byrd, W. Va.	Lausche	Scott
Clark	Long, La.	Smathers
Dirksen	Mansfield	Smith
Ellender	McClellan	Talmadge
Fannin	McGee	Williams, N.J.
Fulbright	McIntyre	Williams, Del.
Hansen	Morton	Yarborough
Hayden	Murphy	Young, N. Dak.
Hill	Muskie	Young, Ohio

Mr. BYRD of West Virginia. I announce that the Senator from North Dakota [Mr. BURDICK], the Senator from Montana [Mr. METCALF], the Senator from Oregon [Mr. MORSE], the Senator from Utah [Mr. MOSS], and the Senator from Virginia [Mr. SPONG] are absent on official business.

I also announce that the Senator from Alaska [Mr. BARTLETT] and the Senator from Hawaii [Mr. INOUE] are absent because of illness.

I further announce that the Senator from Idaho [Mr. CHURCH], the Senator from Oklahoma [Mr. MONROE], the Senator from Wisconsin [Mr. NELSON], the Senator from Rhode Island [Mr. PASTORE], and the Senator from Georgia [Mr. RUSSELL] are necessarily absent.

Mr. KUCHEL. I announce that the Senator from Tennessee [Mr. BAKER] is necessarily absent.

The Senator from Massachusetts [Mr. BROOKE] is absent on official business.

The PRESIDING OFFICER (Mr. LAUSCHE in the chair). A quorum is not present.

Mr. MUSKIE. Mr. President, I move that the Sergeant at Arms be directed to request the attendance of absent Senators.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Maine.

The motion was agreed to.

The PRESIDING OFFICER. The Sergeant at Arms will execute the order of the Senate.

After a little delay, the following Senators entered the Chamber and answered to their names:

Alken	Gore	McCarthy
Allott	Griffin	McGovern
Brewster	Gruening	Miller
Byrd, Va.	Harris	Mondale
Cannon	Hart	Montoya
Carlson	Hartke	Mundt
Case	Hatfield	Pearson
Cooper	Hickenlooper	Percy
Cotton	Holland	Sparkman
Curtis	Hruska	Stennis
Dodd	Jordan, Idaho	Symington
Dominick	Kennedy, Mass.	Thurmond
Eastland	Kuchel	Tower
Ervin	Long, Mo.	Tydings
Fong	Magnuson	

The PRESIDING OFFICER (Mr. MCINTYRE in the chair). A quorum is present.

PRESIDENT JOHNSON'S 1969 BUDGET

Mr. WILLIAMS of Delaware. Mr. President, earlier this week the President sent his budget message to the Congress. The administration's appropri-

tion requests for fiscal 1969 represent an alltime high for estimated Government expenditures.

Under the new accounting procedures of the so-called unified budget the deficit for fiscal 1969 is estimated at \$8 billion after allowing for the estimated revenue to be derived as from the enactment of the President's recommendations for a 10-percent tax increase. This \$8 billion claimed deficit, however, does not represent the true picture.

Based upon a careful analysis of the recommended budget expenditures and estimated revenues, the actual deficit for fiscal 1969 will be \$28.3 billion, minus whatever revenue may be derived as a result of a tax increase, or future expenditure reductions.

President Johnson, in his state of the Union message, tried to minimize the true size of our potential 1969 deficit by using a new type of accounting, which, for the first time, includes trust fund receipts as though they were normal income.

These trust funds do not represent money belonging to the Government, and under no circumstances should they be so included.

Social security taxes are paid by employees and employers. The unemployment tax is paid by the employer only. The railroad retirement tax is paid by the employer and the employee. In each instance, the Federal Government acts only as the trustee, and under no line of reasoning can these funds for accounting purposes be credited toward the reduction of the deficit of the U.S. Government in its spending for Great Society programs. The money in these trust funds does not belong to the U.S. Government. Nor, under the law can the Federal Government divert these funds to general revenue without congressional action.

If any privately operated bank issued such a report to its stockholders, the officials of that bank would be in the penitentiary. It is equally misleading for the Federal Government to resort to such backhanded accounting methods, which can have but one purpose and that is to deceive the American people as to the serious state of our financial situation.

The difference between the \$28.3 billion estimated deficit for fiscal 1969 and the \$8 billion figure used in the President's state of the Union message is explained as follows:

The President estimated that the additional revenue to be derived from the enactment of his recommended tax proposals would be \$12.9 billion for fiscal 1969. This \$12.9 billion—if enacted—would reduce the \$28 billion expenditure deficit to \$15.4 billion. This leaves \$15.4 billion as the deficit for fiscal 1969 even after counting the full effect of the requested tax increase.

The difference between the \$15.4 billion after-tax deficit and the President's \$8 billion figure is accounted for by the fact that the President has counted the \$7.4 billion accumulation in the various trust funds as though it were normal Government revenue and thereby available for routine expenditure purposes. Such is not the case, and their inclusion serves no purpose other than to mislead

the American people as to the true cost of operating the Great Society.

Mr. LAUSCHE. Mr. President, will the Senator from Delaware yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. LAUSCHE. The Senator makes the statement that "the \$7.4 billion accumulation in the various trust funds" are to be used "as though it were normal governmental revenue." What is the accumulation? What is the meaning of that statement as the Senator has used it?

Mr. WILLIAMS of Delaware. For example, take the old-age survivors insurance trust fund, which is social security. The expenditures under that trust fund for 1969 are estimated to be \$24.567 billion, whereas receipts under the tax on employees and employers would be \$27.188 billion. The extra revenue, around \$2½ billion is the accumulation in the trust fund. For bookkeeping purposes under the new procedure they will use that to reduce the deficit.

To point out the fallacy of their argument I raised this question with officials: Suppose we enacted the 10-percent tax increase and raised \$12 billion. If that is the proper method of bookkeeping why not allocate that \$12 billion to one of the trust funds which is deficient? We would come back with exactly the same answer.

To carry it one step further, say we collect \$80 billion in individual income taxes and \$35 billion in corporate income taxes, but suppose we allocate the entire \$100 billion of tax revenue next year to the trust funds; we could put \$50 billion of it in civil service retirement, which everyone recognizes has a deficiency of about \$45 billion to \$50 billion, and that would put that fund in good order. By putting the other \$50 billion in the social security trust fund, under the new system, it would boost that in good order.

Yet the President, under his new accounting system, would come back and say, "We still have a balanced budget with only an \$8 billion deficit."

This example points out the complete absurdity of the proposal. The officials admitted when we pushed it to that point, "Perhaps we did go in for some farfetched accounting." I think that is generally recognized. Certainly we cannot include the trust funds as though they were normal revenue to defray the costs of the Great Society programs or for the operating the cost of Government itself. They do not dispute the fact that next year we shall be spending \$28.3 billion more than we shall take in, subject only to whatever reductions Congress will enact over the objections of the President, and subject only to whatever revenue-producing measures we may enact from this time on.

Mr. LAUSCHE. The \$7.4 billion is supposed to be excess collection in the trust funds over the moneys immediately needed to pay the obligations under the trust funds.

Mr. WILLIAMS of Delaware. That is correct.

Mr. LAUSCHE. Is it not a fact that we are now living in a period of abundance in which payments out of the trust funds are not so great as they may be in the event we run into economic trouble and

that, therefore, it is not sound to proceed with a fiscal policy concluding that we will have an excess of money when that excess of money may be vitally needed in a period of economic trouble.

Mr. WILLIAMS of Delaware. That is correct. For example, in the unemployment trust fund the outlays are estimated to be \$3 billion for 1969 against estimated income of \$4 billion. With a period of full employment the unemployment trust fund is built up. When we run into a recession we are going to get a minus. But that \$1 billion being built up during the period of full employment today is a reserve. That money is placed in that fund for future emergencies. Under no circumstances could it be carried over and counted as a reduction for the Great Society programs. This is employers' money alone, and not a dime of Government money is in it.

Mr. LAUSCHE. Let me say to the Senator that while I was occupying the position of Governor of Ohio, there was \$650 million in the unemployment compensation fund. Labor leaders and businessmen got together and said that there was too much money in the fund, that a rebate to employers and a reduction in premium charges to employees could be effected. Five years later, the fund was down to the point that it was in practical distress.

Mr. BENNETT. Mr. President, will the Senator from Delaware yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. BENNETT. Referring specifically to social security funds, is it not true that the financing of social security is not intended to match or keep pace with changes in the benefits? Is it not also true that the funds now accumulating in social security have already been committed in terms of increased benefits which will come along a year or 2 years later?

Mr. WILLIAMS of Delaware. That is correct. To a large extent the accumulation of current funds represents money being paid into the social security fund; it represents contributions by young workers, 20, 30, or 40 years of age, which they are building up, supposedly, for their retirement. That money is supposed to be laid aside until they reach the age of 65 for their retirement benefits.

Mr. LAUSCHE. Mr. President, will the Senator from Delaware yield further?

Mr. WILLIAMS of Delaware. I yield.

Mr. LAUSCHE. Last week I made a talk in Columbus, Ohio, in which I declared that I would, under no circumstances, allow funds earmarked for specific trust fund purposes to be diverted for the use of the general Government or otherwise. I stand by that.

Mr. WILLIAMS of Delaware. I would agree. It would take congressional action. There is a serious question whether or not taxes which have been levied and collected for a specific purpose could be diverted by the Congress.

Mr. MURPHY. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. MURPHY. Do I understand that there is included in this figure the highway tax fund from my State of California, for instance—the gasoline tax which is held as a fund for roadbuild-

ing purposes? I know last year there was an attempt on the part of the administration to move those funds into the general funds. Is this part of the same picture?

Mr. WILLIAMS of Delaware. It is part of the same picture. There will be a \$600 million accumulation in the highway trust fund. This, too, is counted to reduce the purported deficit. The highway trust fund represents taxes levied and collected by the Government. Congress earmarked those funds for the trust fund. Conceivably, in this particular case Congress could stop earmarking those funds and put them into the general funds.

The unemployment tax was being paid by the employer for a specific purpose. I would question the wisdom of changing the highway trust fund although it falls into a little different category. But the Senator is correct.

Mr. MURPHY. Last year, when objection was made to the use of the highway trust fund in that way, immediately there was an announcement that those funds were to be released.

Mr. WILLIAMS of Delaware. That is correct.

Mr. MURPHY. Apparently at that time someone in the administration felt our position was properly taken and that those funds were taxes designated for a particular purpose and were not the property of the Federal Government. Actually, they were to be used for road construction in a particular State.

Mr. WILLIAMS of Delaware. And without congressional action they cannot be used for other purposes.

Mr. MURPHY. I thank the Senator.

Mr. WILLIAMS of Delaware. Mr. President, it should be noted that all of these estimates are based on the assumption that Congress will approve the spending recommendations exactly as requested in the President's budget. All projected estimates will vary depending upon the amount of reduced expenditures or increased taxes approved by Congress as well as on variations in our economy. At this point I ask unanimous consent to have printed in the RECORD a breakdown of the various trust fund accounts showing the amount of their accumulated receipts which were included in the "unified" budget.

There being no objection, the breakdown was ordered to be printed in the RECORD, as follows:

TABLE C-4.—OUTLAYS AND RECEIPTS OF TRUST FUNDS

[In millions of dollars]		
Description	Outlays— 1969 estimate	Receipts— 1969 estimate
Funds to which receipts are appropriated:		
Federal old-age and survivors insurance trust fund.....	24,567	27,188
Federal disability insurance trust fund.....	2,617	3,655
Health insurance trust funds.....	5,770	6,827
Unemployment trust fund.....	3,088	4,095
Railroad retirement accounts.....	1,376	1,791
Federal employees retirement funds.....	2,262	3,638
Highway trust fund.....	4,203	4,805
Advances, foreign military sales.....	1,330	1,400
Veterans life insurance funds.....	559	744
Other trust funds (nonrevolving).....	426	416
Trust revolving funds (table C-5).....	900	-----
Subtotal.....	47,189	54,559
Interfund transactions.....	-720	-720
Total.....	46,469	53,839

Mr. THURMOND. Mr. President, will the Senator yield at that point?

Mr. WILLIAMS of Delaware. I yield.

Mr. THURMOND. As I understand the Senator to say, the debt is \$28.3 billion less whatever amount comes from increased taxes, if taxes are increased?

Mr. WILLIAMS of Delaware. That is correct.

Mr. THURMOND. Then the Senator used the figure of \$15.4 billion, which the debt will be if taxes are increased.

Mr. WILLIAMS of Delaware. If taxes are increased in exactly the same manner as recommended by the administration it is estimated his tax program will raise \$12.9 billion. That would leave \$15.4 billion as the deficit for fiscal 1969—that is, the true, actual deficit. They get the \$8 billion figure by counting reserves in the trust funds, which is definitely misleading.

Mr. THURMOND. The difference between the \$8 billion and \$15.4 billion is \$7.4 billion, all of which is from trust funds?

Mr. WILLIAMS of Delaware. That is correct. That is all shown in the chart which I have just put in the RECORD.

Mr. THURMOND. I thank the Senator.

Mr. WILLIAMS of Delaware. Mr. President, this projected \$28 billion deficit for fiscal 1969 takes on even more serious proportions when we consider that it is piled on top of a long series of deficit spending.

In 32 of the past 38 years our Government has lived beyond its income. I repeat, on but six occasions has it balanced the budget during the past 38 years, and in those years in which the budget was balanced the surplus was relatively small.

In the past 6 years this administration has spent over \$60 billion more than its revenue. This represents an average deficit of \$12 billion per year. The deficit for the current fiscal year—1968—is now estimated at around \$20 billion.

For the next fiscal year 1969 the President is asking Congress to appropriate \$16 billion more than the amount which was appropriated the first session of the 90th Congress.

For fiscal 1968 Congress has appropriated \$125 billion, and the President is planning to ask for an additional \$3.3 billion in supplemental appropriations, bringing the 1968 fiscal year total—if approved—to \$128.4 billion.

In fiscal year 1969 he is asking for

total budget authority, or appropriations, of \$141.4 billion. This is \$16 billion more than the amount already appropriated for fiscal 1968, or \$13 billion more than the 1968 appropriations if we include the supplemental requests to be submitted later at this session.

It is this \$16 billion extra spending authority which the President is requesting for fiscal 1969 that Congress must deal with at the time we consider the appropriations for the various departments later this year.

It should be noted that over \$10 billion of this \$16 billion increase represents planned expenditures in civilian agencies, or the expansion of the Great Society programs. Only \$6 billion is represented by increased military costs.

At this point I ask unanimous consent to have printed in the RECORD a chart giving an itemized breakdown of the new budget authority requested for fiscal 1969 as well as the amount approved for fiscal 1968. This report gives a breakdown of the proposed increases by agencies.

There being no objection, the breakdown was ordered to be printed in the RECORD, as follows:

TABLE 5.—BUDGET AUTHORITY REQUIRING CURRENT ACTION BY CONGRESS

(In millions of dollars)

Description	1967 enacted	1968 estimate			1969 estimate		
		Enacted	Supplemental needed	Total	Transmitted herein	Later transmittal	Total
Legislative branch.....	271	277	4	282	306	-----	306
The Judiciary.....	90	94	1	95	101	1	102
Executive Office of the President.....	29	31	(¹)	31	33	-----	33
Funds appropriated to the President.....	5,112	4,718	10	4,728	5,763	566	6,329
Department of Agriculture.....	7,734	6,411	52	6,463	7,300	7	7,307
Department of Commerce.....	873	763	8	771	825	-----	825
Department of Defense—Military.....	71,943	72,112	800	72,912	79,182	75	79,257
Department of Defense—Civil.....	1,391	1,383	11	1,394	1,345	-----	1,345
Department of Health, Education, and Welfare.....	12,617	12,858	1,604	14,463	15,305	83	15,388
Department of Housing and Urban Development.....	6,402	3,330	25	3,356	3,387	40	3,427
Department of the Interior.....	1,586	1,592	29	1,621	1,724	-----	1,724
Department of Justice.....	408	417	47	465	465	80	545
Department of Labor.....	638	625	29	654	730	11	742
Post Office Department.....	1,215	962	212	1,174	920	-----	920
Department of State.....	395	389	1	390	418	-----	418
Department of Transportation.....	6,204	1,511	221	1,732	2,736	85	2,821
Treasury Department.....	931	921	13	934	1,016	-----	1,016
Atomic Energy Commission.....	2,199	2,509	-----	2,509	2,755	-----	2,755
General Services Administration.....	656	570	4	574	509	-----	509
National Aeronautics and Space Administration.....	4,968	4,589	-----	4,589	4,370	-----	4,370
Veterans' Administration.....	6,598	7,499	76	7,575	7,528	9	7,537
Other independent agencies.....	3,174	1,510	28	1,538	1,642	30	1,672
Allowances for—							
Civilian and military pay increase.....	-----	-----	-----	-----	-----	1,600	1,600
Contingencies.....	-----	-----	150	150	-----	550	550
Total, budget authority requiring current action by Congress.....	135,432	125,073	3,327	128,400	138,359	3,136	141,496

¹ Less than \$500,000.

Mr. WILLIAMS of Delaware. Mr. President, this trend of ever-expanding expenditures just cannot be condoned.

Inflation is no longer a threat in America—it is a reality, and unless both the Congress and the administration recognize it as such we shall continue down the road to financial chaos.

One major factor which thus far the administration has not faced up to is the fact that we have a full-scale war on our hands in Vietnam, a war which is costing and which for the foreseeable future will continue to cost billions. The Pueblo incident of the past few days only further emphasizes the seriousness of this international situation.

With a half-million men fighting in the jungles of Vietnam, neither Congress nor the American people have any choice other than to throw the full resources of our country behind those men and their objectives.

If that means some sacrifices at home,

then let us tighten our belts and show the world that we are determined not only to win that struggle but at the same time to preserve and protect the financial integrity of our dollar.

During the past few years our adverse balance of payments has been growing steadily worse, with the result that our gold supply has been vanishing.

In January 1960 our gold reserve stood at \$19.4 billion; by January 1964 these reserves had dwindled to \$15.5 billion. Today they stand at less than \$12 billion.

As our free reserves of gold diminished, Congress in March 1965 was asked to reduce the requirement for the gold cover. This resulted in freeing several billions of our gold reserves to meet the then developing challenge to the American dollar.

Action was considered necessary at that time in order to give the Congress and the administration additional time to deal with the basic causes for the lack

of confidence in our dollar by taking the necessary action to bring our expanding Federal deficits under control.

Instead of taking advantage of this time bought by lowering the gold reserve requirements on the dollar, however, both Congress and the administration relaxed and continued expanding the spending programs and failed to enact the necessary revenue-producing measures whereby the programs could be currently financed.

The result was that our national deficits continued their upward spiral and our gold reserves continued to diminish.

This strain on our gold reserves reached a dramatic climax a few months ago when the British devalued the pound. During the succeeding weeks, our gold vanished at an alarming rate, with the result that our Treasury's gold reserve today is down to less than \$12 billion.

Under the law, gold coverage is re-

quired for 25 percent of the Federal reserve notes in circulation. This requirement alone will take \$10,520,000,000 of our gold reserve. Thus, our "free gold" as of January 10 was down to \$1,308,000,000.

Federal reserve notes in circulation increase each year with the growth in the economy. The increase in 1967 was more than \$2.1 billion. This factor will further reduce "free gold" by more than \$500 million in 1968.

Domestic industrial use of gold over and above domestic production amounted to \$160 million in 1967, and will probably be at least as large in 1968, reducing "free gold" by approximately \$175 million in 1968.

This would leave a margin of "free gold" of about \$600 million to meet potential foreign demands this coming year.

I cite these statistics on our gold reserve to emphasize the fact that neither the President nor the Congress can delay action any longer. To cope with the situation the President has recommended the elimination of all the gold cover on reserve notes, thereby freeing all our gold reserves to meet the challenge to the dollar. Such a drastic step may be necessary, but it will not serve the purpose any more than did the previous action by Congress unless at the same time the administration takes strong and affirmative action in dealing with the causes; namely, reduces Government spending and initiates its tax program. In my opinion we cannot overemphasize the absolute necessity for dealing with this emergency.

Mr. LAUSCHE. Mr. President, will the Senator yield for a question?

Mr. WILLIAMS of Delaware. I yield.

Mr. LAUSCHE. Will the Senator state his view of why Congress passed the law requiring that for every dollar of Federal Reserve currency issued, there be a 25-percent gold support?

Mr. WILLIAMS of Delaware. The purpose of such a restriction was to give Congress a means by which it could prevent the printing presses being operated at the discretion of the executive branch. In other words, that is the limitation beyond which it cannot go in printing money. It has served a useful purpose over the years.

Mr. LAUSCHE. In other words, Congress said, "For every dollar which you print, you must have 25 cents in gold"?

Mr. WILLIAMS of Delaware. That is correct.

Mr. LAUSCHE. That meant that there was an anchor attached to the printing of the dollar and the circulation of money?

Mr. WILLIAMS of Delaware. That is correct.

Mr. LAUSCHE. It is now proposed that we remove the 25-percent gold support of every dollar printed, and have dollars in the future be printed at the whim of those in office, without any anchor attached to what they may do?

Mr. WILLIAMS of Delaware. That is the point I shall discuss next.

Mr. President, never in the history of our country has the threat of inflation been more imminent or has the value of the American dollar been in greater jeopardy.

During the coming months the Congress, the President, and the American people are going to be confronted with some hard and unpopular decisions, and the extent to which we meet that challenge may well determine the course of history. There can be no room for politically expedient decisions or "buckpassing."

It is not enough for Congress to point the finger at the President and charge him with the responsibility for the deficit spending. President Johnson cannot spend one dime which has not first been approved by Congress. Congress therefore does have a responsibility.

Likewise, it is not enough for the President to point the finger of responsibility at the Congress. President Johnson can either sign or veto these various spending bills, and thus far not only has he signed these bills but his sole criticism has been that they do not provide enough spending money.

Also, even after signing the bills he can under Presidential authority impound the funds and withhold the expenditures if he so desires.

Nor can the individual American citizen dodge his responsibility by pointing the finger at official Washington. Far too often it is the pressure of the citizens back home, demanding these ever-expanding appropriations, which makes it hard to reduce expenditures.

President Johnson in his January 1, 1968, press conference recognized the seriousness of the financial situation and called for certain steps, some administrative and some requiring legislation. Many of those steps recommended deserve careful consideration before being brushed aside by the Congress; however, while certain of those steps are in the right direction they do not go far enough. Thus far the President has not faced up to the hard political decision of providing a solution to the basic cause of our present financial plight; that is, to deal with the continued and ever-expanding Government deficits.

Quite the contrary, in his state of the Union message, while giving lip service to economy and a tax increase, he called even louder for an expansion of all Great Society spending programs to be financed with larger deficits.

Our Government today is following the same path toward national insolvency that over the past years was followed by Great Britain, a policy which last year resulted in the devaluation of the pound.

President Franklin D. Roosevelt once made this wise observation:

Any government, like any family, can for a year spend a little more than it earns. But you and I know that a continuance of that habit means the poorhouse.

That statement is still true today.

This is a brief review of the deficit spending policies which have led to the loss of confidence in the American dollar and to circumstances which in my opinion make it imperative for Congress to take prompt action.

I emphasize the word "confidence" because the mere removal of the gold cover, while it would cope with the immediate threat to the dollar, would not solve the problem. Confidence is something which

cannot be purchased with idle promises—it must be earned.

The basic cause of the undermining of confidence in the American dollar is not the shortage of gold but concern over the fiscally irresponsible policies of living beyond our income without at the same time demonstrating that we have the courage either to reduce expenditures or to raise taxes.

I am of the firm opinion that Congress must attack the basic causes of inflation and the threat to the American dollar, and that can only be done by a realistic reduction in expenditures and a sound tax policy.

Expenditures must—and I emphasize the word "must"—be curtailed. Let us face it, however—expenditure reduction alone at this late stage cannot solve our financial difficulty. Confronted with a \$20 billion deficit for fiscal 1968 and a \$28 billion deficit for fiscal 1969, it will require a tax increase as well.

On the other hand, to enact a tax increase without first having written into law a mandatory requirement for a realistic expenditure reduction would in my opinion be worse than no action, since it would only further fan the fires of inflation.

I agree completely with the position Congressman MILLS has taken on this point.

If inflation or the threat to the American dollar is to be controlled, Congress must take the first step, which is expenditure reductions. Then and then only can we intelligently consider the question as to how much increased taxes may be necessary.

On the other hand, neither the Congress nor the administration can afford to dillydally any longer to see what action will be taken on the appropriation bills for fiscal 1969.

President Johnson in his budget message for fiscal 1969 recommended several reductions in expenditures of certain existing programs which, if accepted by Congress, will save around \$2 billion. Some of these reductions will require further legislative action, others represent reductions in authorized appropriations for the particular programs.

This represents a constructive step in the right direction, but it still leaves the 1969 budget requests \$15 billion above the 1968 level with most of this increase in domestic programs.

Congress therefore should make a determined effort to hold appropriations to not exceeding last year's level; but these appropriations will not be acted upon until later this year, and expenditure reductions and the question of increased taxes should be acted upon now. I am therefore suggesting that the Congress enact a package bill, one embracing mandatory expenditure cuts as well as dealing with the question of increased revenue.

To achieve this objective I am today introducing a bill dealing with both these points as well as taking certain other steps to help our balance of payments.

Mr. LAUSCHE. Mr. President, will the Senator yield for a question?

Mr. WILLIAMS of Delaware. I yield.

Mr. LAUSCHE. The Senator has

pointed out that we have about \$12 billion in gold, of which about \$10.5 billion is earmarked to support the paper Federal Reserve dollars which we have. Is that correct?

Mr. WILLIAMS of Delaware. That is correct.

Mr. LAUSCHE. Is the Senator able to state what the total amount of potential demandable claims by foreign governments is, for the payment of the credits which they hold against our Government? I understand it is \$30 billion.

Mr. WILLIAMS of Delaware. I do not have the exact figure before me, but it is far more than the amount of gold that we have.

Conceivably, we could remove the cover of gold and take no further action, and if there were a demand for conversion we would not have enough gold to carry it out.

Mr. LAUSCHE. Let us assume that I am correct in my recollection, which is that there are \$30 billion in demandable foreign credits for immediate payment. If those foreign creditors say to the United States, "We do not want your paper dollar, because in the last year it has fallen 3 percent in buying power, and in the last 26 years 48 percent, but we want your gold." According to what the Senator has said, we have about \$1.5 billion to meet \$30 billion of demandable claims.

Mr. WILLIAMS of Delaware. We have less than that when one figures the amount that will be needed to take care of our normal increase in currency in the next year. There will be approximately \$600 million left as free reserves. If we remove the cover we shall be releasing the total of approximately \$10.5 billion.

That is the reason that I am placing emphasis upon the fact that it is not the gold itself that is backing the American dollar. It is confidence in the stability of the American Government. And confidence can only be established in the minds of international governments and in the minds of the American people by demonstrating to the world that we are bringing our budget under control and that we are determined to put our house in order here at home.

The mistake that Britain made was in not putting her financial house in order. It lived for a period of time beyond its income, and we see what happened.

We too are living beyond our income. I do not think it is too late. I think that we have ample time to check this drift. We have a great country here, and we have a tremendous productive capacity in back of our country.

I am not an alarmist, but the time has come when we must recognize the existing facts and bring our financial house in order and restore confidence in the American dollar both in our own country and throughout the world.

That is the reason that I am introducing the bill which I describe.

Mr. LAUSCHE. Mr. President, I contemplate voting for the President's recommendation that we remove the gold support in back of the American dollar. I think it is inescapable that we must do so.

May I ask for the view of the Senator from Delaware on that point?

Mr. WILLIAMS of Delaware. Mr. President, as I pointed out before, the removal of the gold cover is contained in the last section of the bill that I introduce today. I placed that provision in the last section to emphasize that I think the other steps should be taken first. They are equally as important as the removal of the gold cover. I think that if we were to remove the gold cover alone and continue spending and expanding various domestic programs without taking action to reduce expenditures or increase taxes to pay for the programs it would only buy a little time. We would then have to face the real catastrophe at a later date.

As far as I am concerned, I think we ought to face up now to the issue of whether we will reduce expenditures and stop the expansion of various programs. We should take action to let the world know that we are not only throwing our gold but also the resources of the Government back of the American dollar and that we are going to put our financial house in order at the same time.

All of these steps have to be considered and taken together. I do not think that the mere removal of the gold cover will do it. We took similar action here a few years ago, and we merely postponed the day of a crisis.

Mr. LAUSCHE. Mr. President, am I correct in my statement that we have taken the silver out of our coins?

Mr. WILLIAMS of Delaware. The Senator is correct; we have reduced the silver content.

Mr. LAUSCHE. The 25 percent gold support has been removed from the Federal Reserve Bank deposits, and now it is proposed that we remove the 25 percent gold support from our currency.

Mr. WILLIAMS of Delaware. The Senator is correct.

Mr. LAUSCHE. How much money was involved in removing the silver from our coins?

Mr. WILLIAMS of Delaware. By reducing the silver content in our coins the Government picked up approximately \$2.5 billion.

Mr. LAUSCHE. How has that money been used?

Mr. WILLIAMS of Delaware. That money has been put in the general revenue and spent. It will not be recurring income. That money has been spent in the prior years and is a part of the \$60-billion deficit of the past 5 years, to which I referred earlier.

Mr. LAUSCHE. Mr. President, was the 25 percent gold support for the deposits made by banks of the Federal Reserve System not repealed because of our serious imbalance with foreign countries?

Mr. WILLIAMS of Delaware. It was changed at the time in order to make more gold available in the event that we were called on by some of the international governments for conversion of the American dollar.

Mr. LAUSCHE. Do I correctly understand that it is the position of the Senator that we have taken step after step and are now going to remove the gold support from our American dollars, but that that will not achieve what should

be done unless we begin to exert efforts to balance the budget?

Mr. WILLIAMS of Delaware. The Senator is correct. I think that it may be necessary to remove the gold cover, as I said before, but by itself we would be dealing only with a problem that is confronting us today and solving the problem only for today. We would not be attacking the basic causes which have created the problem, nor would we be considering the causes which will create the same problem again a few years from now.

My point is that we should face up to the problem today and attack the basic causes, and the basic causes are that over too long a period of time our Government has been living beyond our income. I think we have to recognize that fact.

We must reduce spending, and personally, I think we shall have to raise taxes. I think that we will have to do both. I think that it will take a combination of both actions. It will be hard. Nobody likes to pay taxes or to reduce spending. However, I think we will have to face up to the facts.

That is the reason that I am suggesting this procedure.

Section 1 designates the title of the bill as the "Balance of Payments and Domestic Economy Act of 1968."

Section 2 provides for 1 year extension of those excise taxes on automobiles, telephones, and so forth, which otherwise would expire on April 1, 1968. It is estimated that the extension of these excise taxes for 1 year will provide additional revenue of \$2.7 billion.

I do not think there is any controversy or question about the need for extending those excise taxes.

Mr. LAUSCHE. Mr. President, I recognize that we cannot balance the budget. We are in a war and undoubtedly that war, by itself, makes it necessary for our Government to operate at a deficit. However, I understand the position of the Senator from Delaware to be that there are other areas in which we can reduce spending and thus reduce the forces which are driving the buying power of our dollar downward and increasing the demand of foreign creditors for our credit.

Mr. WILLIAMS of Delaware. The Senator is correct. We have been trying to operate on the basis of business as usual—guns and butter both, and we are doing that on borrowed money and at a time when we have half a million boys fighting in Vietnam. They are the ones who are really making sacrifices. Should we charge those boys when they come back for the luxuries which we are enjoying today?

My position is that we on the home-front can tighten our belts and make some sacrifices in order to pay for some of those programs that were enacted. I do not think that we should pass all of this load, in the form of taxes in later years, on to our grandchildren and on to these veterans.

Certainly we should recognize our own responsibility here. That is the reason that I am introducing a package bill. As I stated before, the second section would merely extend for another year the excise

taxes, which otherwise would expire on April 1.

Section 3 writes into law the provisions of the President's Executive order of September 20, 1966, wherein President Johnson proposed to freeze Federal civilian employment at the July 1, 1966, level.

On July 1, 1966, the total civilian personnel was 2,738,047. The most recent figure as published by the Joint Committee on Reduction of Nonessential Federal Expenditures shows that at the end of November 1967 this number had been increased to 2,929,508. This represents an increase of 191,461 civilian employees, all of whom had been added to the Federal payroll in contradiction to the President's own Executive order.

Under this section no employee would be discharged, but a reduction would be achieved through attrition. As employees resigned or retired the Government would be permitted to replace but one in each four separations, and this restricted hiring policy would continue until the July 1, 1966, level of Federal employment had been reached.

It is estimated that on an average each employee, including office space, equipment, and so forth, costs the Government \$8,000, and on that basis the reduction of the Federal payroll by these 191,000 employees would represent a reduction in annual expenditures of over \$1.5 billion.

Certainly the administration could support this suggestion since it merely makes mandatory the provisions of President Johnson's own Executive order of September 20, 1966, along with a formula under which the necessary reduction can be made to achieve that objective.

At this point I ask unanimous consent to have printed in the RECORD first a copy of President Johnson's Executive order of September 20, 1966, freezing Federal civilian employment at the July 1, 1966, level followed by a chart showing the manner in which 190,000 employees have been added in the following months.

There being no objection, the material was ordered to be printed in the RECORD as follows:

EXECUTIVE OFFICE OF THE PRESIDENT, BUREAU OF THE BUDGET, Washington, D.C., September 20, 1966.
MEMORANDUM FOR THE HEADS OF EXECUTIVE DEPARTMENTS AND ESTABLISHMENTS
Subject: Fiscal year 1967 employment ceilings.

1. The President has directed that the head of each agency take necessary steps to:
a. Hold employment in *full-time permanent positions* for the remainder of fiscal 1967 to a level at or below that prevailing as of July 31, 1966. (Those agencies whose employment is already above the July 31, 1966, figure should reduce their employment to the July 31 level as expeditiously as possible by not filling vacancies.)

b. Hold employment in *temporary, part-time, or intermittent positions* for the remainder of fiscal 1967 to a level at or below that prevailing as of June 30, 1966, except for meeting normal seasonal changes in agency workloads. In no event should such employment on June 30, 1967, exceed that on June 30, 1966.

2. These actions are in an essential part of President Johnson's efforts to reduce Federal expenditures.

3. Each agency head should make every effort to achieve the lowest possible level of

employment. We must increase our productivity, redeploy our personnel, simplify our procedures and strip work to essentials in order to meet the employment ceilings established by this memorandum.

4. In view of the personnel requirements involved in the Viet Nam conflict, the Department of Defense and the Selective Service System are specifically exempt from paragraph 1 of this memorandum. For these two agencies, employment ceilings heretofore in effect will remain in effect subject to adjustment during review of the 1968 budget.

5. In the case of the Post Office, the June 30, 1967, employment ceiling established in the January budget review will remain in effect.

6. Requests for exception to the levels established by this memorandum will be presented to the Director of the Bureau of the Budget by the agency head under the following circumstances only:

a. When the need for employment increases can be related directly to requirements for Southeast Asia, or

b. When employment increases are needed for new programs which were not in existence on July 31, 1966, and for which appropriations or other funds have been provided and have been apportioned by the Bureau of the Budget, or

c. When employment increases are needed for emergency situations involving the protection of life, property, or the national security, or

d. When transfers of functions from one agency to another or from headquarters to the field result in a need to adjust employment levels.

In any of the above cases, *exceptions will not be requested until the agency head has determined that it is clearly not possible to meet the required employment needs by redeploying personnel from other areas so as to remain under the employment level established by this memorandum. Exceptions will not be granted unless agencies clearly demonstrate that such shifts have been evaluated and that they are not feasible.*

CHARLES L. SCHULTZ,
Director.

CIVILIAN EMPLOYEES ADDED TO THE FEDERAL PAYROLL IN CONTRADICTION OF EXECUTIVE ORDER ISSUED SEPT. 20, 1966

Month	Employment	Increase	Decrease
July 1, 1966.....	2,738,047	-----	-----
July.....	2,788,097	50,050	-----
August.....	2,805,519	17,422	-----
September.....	2,733,724	-----	31,795
October.....	2,798,212	24,488	-----
November.....	2,834,940	36,728	-----
December.....	2,842,528	7,588	-----
January 1967.....	2,848,249	5,721	-----
February.....	2,864,626	16,377	-----
March.....	2,882,639	18,013	-----
April.....	2,899,673	17,034	-----

TABLE F-1.—SUMMARY OF FULL-TIME PERMANENT EMPLOYMENT IN THE EXECUTIVE BRANCH

Agency	As of June		Increase, 1969 over 1968
	1968 estimate	1969 estimate	
Department of Defense, military and military assistance....	1,220,500	1,223,500	3,000
Post Office Department.....	550,600	568,400	17,800
Department of Agriculture.....	85,800	86,300	500
Department of Commerce.....	26,200	27,000	800
Department of Defense, civil.....	32,020	32,600	400
Department of Health, Education, and Welfare.....	105,400	108,800	3,400
Department of Housing and Urban Development.....	14,800	16,200	1,400
Department of the Interior.....	61,100	63,500	2,400
Department of Justice.....	33,650	34,200	550
Department of Labor.....	9,700	10,700	1,000
Department of State.....	26,900	27,000	100
Agency for International Development.....	17,600	18,100	500
Peace Corps.....	4,400	1,600	200
Department of Transportation.....	57,700	59,600	1,900
Treasury Department.....	82,000	82,500	500
Atomic Energy Commission.....	7,150	7,300	150
General Services Administration.....	38,300	39,700	1,400
National Aeronautics and Space Administration.....	32,400	32,600	200
Veterans' Administration.....	152,100	154,000	1,900

CIVILIAN EMPLOYEES ADDED TO THE FEDERAL PAYROLL IN CONTRADICTION OF EXECUTIVE ORDER ISSUED SEPT. 20, 1966—Continued

Month	Employment	Increase	Decrease
May.....	2,905,595	5,922	-----
June.....	2,980,159	74,564	-----
July.....	3,012,374	32,215	-----
August.....	3,001,829	-----	10,545
September.....	2,923,641	-----	78,188
October.....	2,927,657	4,016	-----
November.....	2,929,508	1,851	-----
Total.....	-----	311,989	120,528
Total increase.....	-----	191,461	-----

Note: Above figures on Federal civilian employment furnished by the Joint Committee on Reduction of Nonessential Federal Expenditures.

Mr. WILLIAMS of Delaware. Mr. President, as evidence that such legislative action is necessary, I call attention to the fact that in the closing days of the last session Congress adopted a resolution requiring a 2-percent reduction in the number of civilian employees on the Federal payroll. The President signed this resolution and thereby accepted the recommendation of Congress that there be a reduction in the payroll. Yet what has happened?

Instead of reducing Federal employment, the President in his 1969 budget message, as sent to Congress earlier this week, asked for authority to add 45,600 full-time employees to the public payroll.

Lest there be any misunderstanding that this increase results from expanded military efforts, I point out that only 3,000 of these extra 45,600 employees are scheduled for the Defense Department. The other 42,600 employees are divided among the various other agencies of the Great Society.

With but one exception, every agency of the Government is asking for an increase in personnel for fiscal 1969, and that single exception is the Selective Service System, which is scheduled for a reduction of 300 employees. The enactment of this bill would cancel this proposed increase.

At this point I ask unanimous consent to have printed in the RECORD a breakdown of these additional employees as requested on page 530 of the 1969 budget.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

TABLE F-1.—SUMMARY OF FULL-TIME PERMANENT EMPLOYMENT IN THE EXECUTIVE BRANCH—Continued

Agency	As of June		Increase, 1969 over 1968
	1968 Estimate	1969 Estimate	
Other agencies:			
Selective Service System.....	7,200	6,900	-300
Small Business Administration.....	4,300	4,700	400
Tennessee Valley Authority.....	12,350	12,700	350
The Panama Canal.....	14,950	15,000	50
U.S. Information Agency.....	11,650	11,700	50
Miscellaneous agencies ¹	33,550	35,100	1,550
Allowance for contingencies.....	2,400	4,800	2,400
Total.....	2,641,900	2,687,500	45,600

¹ Excludes member-employees of the Soldiers' Home.

Mr. KUCHEL. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. KUCHEL. This is an outstanding charge. The resolution of Congress requiring a 2-percent reduction in the Federal payroll was adopted in the closing week of the session. Is there any indication during the ensuing weeks since then that any action was taken under that resolution?

Mr. WILLIAMS of Delaware. If there has been, I have failed to find it.

I was told by officials of the budget department that the manner in which they are interpreting that resolution was that the 2-percent reduction meant that a department had only to achieve a reduction comparable to a 2-percent reduction in personnel. They cited one specific case in which one department was planning to buy a certain computer. If they bought the computer they would have to reduce the personnel by 2 percent. In order to retain their 2-percent personnel and even expand it a little they postponed the computer purchase to 1969 and put it in the 1969 budget.

I asked:

How can you reconcile telling the American people that you're cutting the payroll 2 per cent and at the same time, and in the same message, asking for an increase of 45,600?

They said:

It's very easy. We reduce 2 per cent below what we would have asked for it if you had not passed the resolution.

They claim the 45,600 takes into consideration the 2-percent reduction, and, apparently, on that basis they were going to ask for 100,000 or more.

That is ridiculous.

Mr. KUCHEL. So that the record may be crystal clear, when the Senator says that in the budget for the 1969 fiscal year the President asks for authority to add 45,600 full-time employees to the public payroll, what level is referred to?

Mr. WILLIAMS of Delaware. Above the 1968 level. They estimate that at the end of 1968 they will have 2,641,900 employees; in 1969 they want 2,687,500. And these additions are distributed down the line among domestic agencies.

For example, the Department of Agriculture wants 500 more men; the Department of Commerce wants 800; Civil Defense wants 400; HEW wants 3,400; Housing and Urban Development wants 1,400; the Department of the Interior wants 2,400; the Department of Justice wants 550; the Department of Labor wants 1,000, and so forth.

The President said something in his

state of the Union message to Congress about 100 extra employees for the Department of Justice, but he did not talk about the 550 to be added, nor did he talk about the 45,600 being added to the overall Government payroll.

Mr. KUCHEL. He talked about the 100 for the FBI.

Mr. WILLIAMS of Delaware. In the FBI, yes.

Mr. KUCHEL. So that there may be no misunderstanding, it is clear then that the President's request is for 45,600 full-time employees above those on the public payroll at the end of the 1968 fiscal year?

Mr. WILLIAMS of Delaware. That is correct.

Mr. KUCHEL. I thank the Senator.

Mr. WILLIAMS of Delaware. Mr. President, I continue.

Section 4: This section would write into law a provision similar to the Executive order issued by President Truman at the outset of the Korean war and comparable to the action taken by Presidential and congressional action in World War II; namely, it provides that a moratorium be declared on all new public works and construction projects. Under this provision, all such projects would be held in abeyance until the Vietnam war is over or our budget is balanced, unless in the meantime it was certified by the Office of Emergency Planning that prompt work on such project was essential either to the national security or to our domestic economy.

Paragraph (B) in the same section would require a reexamination of all existing construction and public works projects to determine whether or not further work could be held in abeyance without unnecessary economic loss until such time as the Vietnam war is over or until our budgetary conditions are under control. Again, the Office of Emergency Planning is given the authority to certify as to the necessity for the continuation of these latter-mentioned projects.

This same section further places a moratorium on all Federal grants to recreational facilities, such as golf courses, swimming pools, hunting lodges, and so forth. This provision would likewise remain effective until such time as the Vietnam war is over or until the budget has been brought under control.

Surely, these provisions in section 4 cannot be considered unreasonable. There is a precedent for such expenditure controls. In our two previous wars—World War II and the Korean war—both President Roosevelt and President Truman took similar action. This is a step which the Johnson administration should

have taken immediately at the outbreak of the Vietnam war. Such action has not been taken. Now we have no choice except to write it into law.

Certainly, the construction of new post offices and other public buildings as well as many public works projects under the Corps of Engineers can be held in abeyance until we have the money with which to pay for them. That does not mean that these projects do not have merit but merely that their construction can be delayed.

Likewise, Federal grants for recreational facilities, such as golf courses, swimming pools, and hunting lodges, are not essential to our national defense. As an example of the latter type of an unnecessary grant during wartime, I refer to a \$200,000 Federal grant approved within the last 2 weeks to assist in the construction of a public golf course in my own State. As meritorious as a public golf course may be, we certainly cannot afford it in the face of a \$28 billion deficit, plus a costly war to finance.

Savings under this section alone are estimated to be at least \$2½ billion annually.

Section 5 of this bill would place a ceiling on expenditures for fiscal 1969. In the President's state of the Union message the President's projected spending for fiscal year 1969—under the "unified" budget accounting formula—is \$186 billion.

This section would make mandatory a reduction in spending for fiscal 1969 from \$186 billion to \$178 billion. This would represent an expenditure reduction of \$8 billion for fiscal 1969.

Prompt implementation of sections 3 and 4 of this bill would account for nearly one-half of this proposed \$8 billion reduction in expenditures, and the balance of the reductions can be spread across other programs at the President's—or congressional—discretion.

It should be pointed out, however, that the savings in sections 3 and 4 would be a part of and not in addition to the spending reduction in section 3.

The enactment of these three sections will achieve over one-half of the results which the President sought with his proposed 10-percent tax increase. This is a step in the right direction, but under present circumstances it is not enough.

Our financial situation is in such a state that these expenditure reductions alone cannot meet the problem of inflation.

In my opinion, it is still going to be necessary to increase taxes; however, by making the aforementioned mandatory reductions a part of the same bill it will eliminate the necessity for the full 10-percent surtax as requested by the President.

Section 6: Recognizing that expenditure reductions alone are not sufficient, section 6 of this bill provides for a tax increase as follows:

Effective January 1, 1968, it provides an 8-percent surtax on corporations, and effective April 1, 1968, a 6-percent surtax on individuals. The mathematical result of a 6-percent surtax for individuals effective for 9 months in 1968 is the equivalent of a 4½-percent surtax on an annual basis.

The justification for this 2-percent differential in the corporate and individual rate is that in February of last year American business received a \$2 billion tax reduction through the form of restoring the 7-percent investment credit. At that time I opposed this step on the basis that instead of reducing taxes \$2 billion in the face of a \$20 billion deficit the administration should be making the necessary expenditure reductions and pushing its tax increase proposals. I was overruled; however, now that the investment credit has been reinstated I think it would be a mistake to again repeal it, but to equalize this situation I am recommending a 2-percent differential between the corporate and individual surtax rate increases.

It is estimated that a \$6.5 billion increase in revenues in fiscal 1969 will be derived as the result of these tax increases.

Taken together this represents an \$8 billion reduction in expenditures and \$9.2 billion increased revenue, or a total of \$17.2 billion toward reducing the deficit.

Section 7 would repeal the fictitious 4¼-percent interest ceiling on the sale of long-term Government bonds. This ceiling is a farce.

The failure of the Congress to have taken this action many years ago has resulted in forced financing of the Federal debt on a short-term basis. The result is that as the short-term securities mature today they are being refinanced when interest rates are at a record 100-year high.

It has been conservatively estimated that the failure of Congress to have taken this responsible step to repeal this farcical ceiling 10 years ago is today costing the American taxpayers annually a minimum of \$2 billion in unnecessary interest charges.

The following four sections deal with our adverse balance of payments.

Section 8 would reduce from \$100 to \$25 the amount of duty-free goods which tourists can bring into this country. This would reduce the gold outflow without restricting travel.

(At this point, Mr. HOLLINGS assumed the chair.)

Mr. KUCHEL. Mr. President, will the Senator yield for a clarification?

Mr. WILLIAMS of Delaware. I yield.

Mr. KUCHEL. Mr. President, does the Senator have in mind utilizing any different treatment for our immediate neighbors, Canada or Mexico?

Mr. WILLIAMS of Delaware. There would be a proportionate reduction, as well as in the other instances.

Mr. KUCHEL. I thank my friend.

Mr. WILLIAMS of Delaware. Mr. President, section 9 would establish a new procedure in the Treasury Department whereby Americans would be encouraged to change their travel plans to the Western Hemisphere, or to those countries in which we have an excess of foreign currency.

Mr. LAUSCHE. Mr. President, will the Senator yield at that point?

Mr. WILLIAMS of Delaware. I yield.

Mr. LAUSCHE. Mr. President, is the Senator able to state which practice has contributed to the largest deficiency in our imbalance in the dollars spent by foreign countries in the United States and the dollars spent by American nationals in foreign countries? Is it the tourist imbalance?

Mr. WILLIAMS of Delaware. There is an imbalance in tourist traffic. I do not know how much of the reported \$2 billion can be attributed to it.

Mr. LAUSCHE. It is \$2 billion a year.

Mr. WILLIAMS of Delaware. Yes, but there is a feedback on that amount as these dollars are left abroad. If we stopped them in their entirety, or 100 percent, we would not pick up \$2 billion automatically to correct that balance of payments because, as I have said, there is a feedback in that there would be a loss in sales from reduced purchases in this country. I do not have the net figure. I believe this \$2 billion is an overall figure.

Mr. LAUSCHE. There is some feedback in the planes we sell to foreign countries.

Mr. WILLIAMS of Delaware. But there would be a loss. There is no question about that.

Mr. LAUSCHE. The heavy losses in our imbalance in imports and exports has, in my judgment, come about through the tourists who visit foreign countries rather than visiting their historic and domestic shrines in the United States.

I understand that the Senator proposes that there be given an inducement

to visit the United States and to visit those countries which are in distress, rather than visiting those nations which have huge claims upon our gold. In substance, is that the Senator's position?

Mr. WILLIAMS of Delaware. The Senator is correct. We have in the Treasury Department about \$1.4 billion in foreign currencies from various countries, for example, from Burma, Ceylon, the Congo, India, Pakistan, Israel, Poland, the Arab Republic, Yugoslavia, and other countries in which we have excess currencies.

These currencies are in the Treasury, and they cannot be used for any expenditure in this country. We cannot buy anything to import from those countries. These are nonrestricted funds to the extent that we can spend them within their country.

My suggestion is to direct the Treasury Department to sell these excess foreign currencies to American tourists at a 10-percent discount, and upon the traveler's return any portion of the unexpended foreign currencies could be redeemed at the same price for which they were purchased. Thus, rather than restricting foreign travel, this would be an encouragement to American tourists to direct their travel toward these less-developed countries. At the same time it would give the Treasury Department dollars instead of foreign currencies which now have no material spending value in this country.

As of June 30, 1967, we had over \$1½ billion of such currencies which could be used under this proposal. To implement this program further, on all future sales under Public Law 480, or other types of AID programs, the Secretary would be instructed to include as a part of the sales contract a provision that we be permitted to use any of these currencies—accepted as payment for American goods—for tourist travel in their countries.

This action would expand the list of countries wherein tourist travel could be encouraged at an actual savings in American dollars.

At this point I ask unanimous consent that a list of the foreign currency holdings of the U.S. Government be printed.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

TABLE 15.—SELECTED FOREIGN CURRENCY DATA AND ANALYSIS OF FOREIGN CURRENCIES ACQUIRED WITHOUT PAYMENT OF DOLLARS, JUNE 30, 1967

(In U.S. dollar equivalents, cents omitted)

Country	Unit of currency	Analysis of foreign currencies				Selected foreign currency data			
		Available for U.S. use			Advances of unfunded foreign currencies ⁴	Balance on hand	Undisbursed reservations (committed) ⁵	Purchased during fiscal year 1967 with dollars from—	
		Nonrestricted ¹	Restricted ²	Total				Commercial sources ⁶	Treasury holdings ⁷
Excess-currency countries: ⁸									
Burma	Kyat	\$11,255,258	\$1,574	\$11,256,832	\$9,179,071	\$20,435,703	\$4,179,953	\$100,000	\$1,500,000
Ceylon	Rupee	7,630,242	4,834	7,635,076	3,860,113	11,495,189	5,215,599	1,000,000	1,200,000
Congo	Franc	858,991	750	859,741	1,562,833	2,422,574	1,053,677	100,000	900,000
Guinea	do	7,004,532	1,462	7,005,994	22,328,946	29,334,940	3,246,686	100,000	400,000
India	Rupee	569,792,562	¹⁰ 5,026,072	574,818,634	346,709,565	921,528,199	63,872,281	500,000	28,600,000
Israel	Pound	20,473,293	¹¹ 1,004,600	21,477,893	14,795,549	36,273,442	23,971,311	200,000	19,400,000
Pakistan	Rupee	¹² 100,366,233	4,240,916	104,607,149	77,300,367	181,907,516	30,949,503	600,000	14,100,000
Poland	Zloty	473,654,864	3,869	473,658,733	—	473,658,733	19,671,139	—	14,700,000
Tunisia	Dinar	8,676,687	1,194	8,677,881	10,319,941	18,997,822	6,421,500	100,000	2,300,000
United Arab Republic	Pound	124,367,733	5,817	124,373,550	112,626,100	236,999,650	23,187,086	500,000	10,300,000
Yugoslavia	Dinar	52,771,304	5,000	52,776,304	31,468,521	84,244,825	17,548,376	200,000	8,800,000
Total, excess currency countries		1,376,851,699	10,296,088	1,387,147,787	630,151,006	2,017,298,793	199,317,114	2,400,000	102,200,000

See footnotes at end of table.

TABLE 15.—SELECTED FOREIGN CURRENCY DATA AND ANALYSIS OF FOREIGN CURRENCIES ACQUIRED WITHOUT PAYMENT OF DOLLARS, JUNE 30, 1967—Continued

[In U.S. dollar equivalents, cents omitted]

		Analysis of foreign currencies					Selected foreign currency data			
Country	Unit of currency	Available for U.S. use			Available for country use ³	Advances of unfunded foreign currencies ⁴	Balance on hand	Undisbursed reservations (committed) ⁵	Purchased during fiscal year 1967 with dollars from—	
		Nonrestricted ¹	Restricted ²	Total					Commercial sources ⁶	Treasury holdings ⁷
Near-excess-currency countries: ¹³										
Bolivia	Peso	\$484,751	\$4,326	\$489,077	\$16,392,912	—\$248,962	\$16,633,027	\$1,794,981		\$3,400,000
Indonesia	Rupiah	272,146	3,402	275,548	122,286	—101,104	296,730	217,370	\$100,000	600,000
Morocco	Dirham	5,682,203	4,679	5,686,882	15,641,018		21,327,900	1,835,571	200,000	10,900,000
Paraguay ¹⁴	Guarani	267,674	2,500	270,174	5,119,806	—933,318	4,456,662	932,480	200,000	1,600,000
Sudan	Pound	89,247	1,631	90,878	8,820,920	—432,900	8,478,898	1,422,777	200,000	1,900,000
Total, near-excess-currency countries		6,796,021	16,538	6,812,559	46,096,942	—1,716,284	51,193,217	6,203,180	700,000	18,400,000
Nonexcess-currency countries: ¹⁵										
Afghanistan	Afghani	180	351	531	1,323,920	—246,478	1,077,973	369,138	800,000	600,000
Algeria	Franc								200,000	
Angola	Escudo							25,026	100,000	
Argentina	Peso		4,587	4,587		—4,587		943,316	2,600,000	5,300,000
Australia	Dollar		14,168	14,168		—14,168		1,239,789	8,100,000	100,000
Austria	Schilling		4,160	4,160		—4,160		900,046	3,200,000	300,000
Bahamas	Dollar		416	416		—416			100,000	
Barbados	do		386	386	274	—660				
Belgium	Franc	1,579	15,036	16,615		—15,036	1,579	6,249,316	6,200,000	1,700,000
Bermuda	Pound		66	66		—66			2,100,000	
Brazil ¹⁷	Cruzeiro		11,356	11,356	10,350,929	—9,295,907	1,066,378	4,536,527	2,700,000	34,700,000
British Honduras	Dollar		150	150		—150			100,000	
British West Indies	do								300,000	
Bulgaria	Leva								200,000	
Cambodia	Riel		8,400	8,400	341,027	—8,400	341,027	80,076		
Cameroon	CFA Franc ²²				70,273		70,273			
Canada	Dollar							409,596	80,400,000	
Chile	Escudo	81,700	10,165	91,865	7,869,067	—1,133,228	6,827,704	3,300,443	1,100,000	14,100,000
China (Taiwan)	Dollar	396,776	12,944	409,720	5,131,024	—2,430,585	3,110,159	7,820,563	6,100,000	23,500,000
Colombia	Peso		8,988	8,988	306,545	—315,019	514	5,245,457	4,100,000	14,700,000
Costa Rica	Colón		2,331	2,331	72,083	—74,228	186	530,873	2,100,000	1,400,000
Cyprus	Pound		918	918	419,593	—142,369	278,142	677,544	2,100,000	300,000
Czechoslovakia	Koruna		995,223	995,233		—572	994,661		200,000	
Burundi	Franc							27,876		
Denmark	Krone		5,003	5,003		—5,003		1,470,880	4,500,000	400,000
Dominican Republic	Peso		4,243	4,243	470,675	—400,342	74,576	236,681	4,000,000	5,900,000
Ecuador	Sucre		4,261	4,261	35,847	—26,181	13,927	2,501,614	1,600,000	3,800,000
El Salvador	Colon		3,772	3,772		—3,772		233,061	2,200,000	2,100,000
Ethiopia	Dollar	664,873	4,998	669,871	748,518	—403,063	1,015,326	1,268,769	3,600,000	4,100,000
Finland ²⁰	Markka	85,496	4,312	89,808		—4,312	85,496	4,302,319	1,200,000	700,000
France	Franc		32,766	32,766		—32,766		8,828,081	128,700,000	3,600,000
Germany	West deutsche mark	27	83,433	83,460	1,377,699	—1,455,648	5,511	18,956,771	874,600,000	9,200,000
Do	East deutsche mark		2,584	2,584			2,584			
Ghana ²¹	Cedi	505,185	1,480	506,665	4,003,729	—1,480	4,508,914	361,692	200,000	1,400,000
Greece	Drachma	93,144	15,002	108,146	2,516,667	—680,669	1,944,144	9,409,422	13,000,000	4,300,000
Guatemala	Quetzal		1,393	1,393		—1,393	2,786	708,504	2,900,000	900,000
Guyana	Dollar		811	811		—811			200,000	200,000
Haiti	Gourde							116,759	600,000	
Honduras	Lempira		813	813		—813		828,014	3,000,000	
Hong Kong	Dollar		3,202	3,202		—3,202		3,893,648	5,000,000	100,000
Hungary	Forint	9,593	2,209	11,802			11,802	472,496		300,000
Iceland	Krona	61,283	2,500	63,783	11,641	—14,141	61,283	1,189,708	3,800,000	700,000
Iran	Rial		5,000	5,000	5,812,788	—3,349,429	2,468,359	4,821,504	8,100,000	1,200,000
Iraq	Dinar							711,228	1,200,000	
Ireland	Pound		1,706	1,706		—357	1,349	56,659	1,000,000	100,000
Italy	Lira	2	27,716	27,718	12,027,785	—423,773	11,631,730	19,362,381	57,500,000	6,900,000
Ivory Coast	CFA Franc ²²	2,698	4,980	7,678	929,008	—933,988	2,698	715,548	9,300,000	—800,000
Jamaica	Pound	16,146	962	17,108	526	—1,488	16,146	96,679	300,000	400,000
Japan	Yen	1,016,870	24,418,750	25,435,620		—18,750	25,416,870	5,491,685	249,100,000	18,000,000
Jordan	Dinar	798,843	6,223	805,066	2,867,023	—363,993	3,308,096	1,126,560	1,100,000	2,500,000
Kenya	Shilling		716	716	43,008	—43,724	80,990		4,600,000	400,000
Korea	Won	340,087	2,708	342,795	5,871,831	—4,705,698	1,508,928	5,755,961	50,400,000	13,000,000
Kuwait	Dinar									
Laos	Kip		2,133	2,133	5,964,045	—2,133	5,964,045	79,260	300,000	
Lebanon	Pound		1,276	1,276		—1,276		3,471,024	5,200,000	
Liberia	Dollar									
Libya	Pound	4,207,997	643	4,208,640	42,560	—54,987	4,196,213	518,527	3,500,000	400,000
Luxembourg	Franc							18,037	100,000	
Malagasy	do							25,102	1,000,000	
Malawi	Pound				26,205	—26,205			1,000,000	
Malaysia	Dollar		4,252	4,252		—4,252		1,117,973	3,600,000	100,000
Mali	Franc	28,690		28,690	759,300	—109,777	678,213	150,827	200,000	200,000
Malta	Pound								400,000	
Martinique	Franc									
Mexico	Peso		2,582	2,582		—2,582		6,167,165	7,800,000	18,400,000
Mozambique	Escudo								100,000	
Nepal	Ruppee		913	913			913	240,541		100,000
Netherlands	Guilder	45,089		45,089	602,701	—647,686	104	5,612,795	10,100,000	100,000
Netherlands Antilles	Florin								200,000	
New Zealand	Pound	4,131		4,131		—4,131		506,799	1,400,000	100,000
Nicaragua	Cordoba	1,044		1,044		—1,044		444,576	1,000,000	2,600,000
Nigeria	Pound	275		275	32,358	—275	32,358	670,840	3,800,000	5,000,000
Norway	Krone	8,587		8,587		—8,587		1,119,408	5,100,000	
Panama	Balboa							143,352		
Peru	Sol	10,982	9,004	19,986	4,032,902	—3,710,964	341,924	7,256,549	500,000	10,000,000
Philippines	Peso	111,731	11,613	123,344	3,363,533	—609,721	2,877,156	7,495,586	96,300,000	1,000,000
Portugal	Escudo	24	10,007	10,031		—10,007	24	1,013,080	2,800,000	200,000
Ruanda-Burundi	Franc							25,000	400,000	
Rumania	Lei		309	309			309		400,000	
Saudi Arabia	Riyal								1,000,000	
Senegal	CFA Franc ²²		2,713	2,713	1,426,204	—1,428,917		803,242		900,000
Sierra Leone	Leone							58,729	1,400,000	
Somali	Shilling	55		55	70,843		70,898	275,167	1,400,000	500,000
South Africa	Rand		1,592	1,592		—1,592		277,804	3,800,000	100,000
South Arabia	Dinar								300,000	

See footnotes at end of table.

TABLE 15.—SELECTED FOREIGN CURRENCY DATA AND ANALYSIS OF FOREIGN CURRENCIES ACQUIRED WITHOUT PAYMENT OF DOLLARS, JUNE 30, 1967—Continued

(In U.S. dollar equivalents, cents omitted)

Country	Unit of currency	Analysis of foreign currencies				Selected foreign currency data				
		Available for U.S. use			Available for country use ³	Advances of unfunded foreign currencies ⁴	Balance on hand	Undisbursed reservations (committed) ⁵	Purchased during fiscal year 1967 with dollars from—	
		Nonrestricted ¹	Restricted ²	Total					Commercial sources ⁶	Treasury holdings ⁷
Nonexcess-currency countries: ¹⁶ —Con.										
Southern Rhodesia	Pound								\$300,000	
Spain	Peseta	\$787,356	\$4,586	\$791,942	\$1,822,451	—\$1,742,565	\$871,828	\$9,320,367	37,300,000	\$3,700,000
Surinam	Florin		453	453		—453				
Sweden	Krona		11,039	11,039		—1,631	9,408	1,141,632	2,200,000	100,000
Switzerland	Franc		14,010	14,010		—14,010		12,386,873	3,500,000	900,000
Syrian Arab Republic. ¹⁷	Pound		3,209	3,209	6,557,692	—1,517,632	5,043,269	2,121,114		2,200,000
Tanzania	Shilling							75,052	600,000	100,000
Thailand	Baht	249,207	26,507	275,714	875,436	—79,714	1,071,436	3,012,067	132,400,000	6,500,000
Togo	CFA Franc ²²								(²⁴)	
Trinidad	Dollar		606	606		—606		58,443	1,300,000	
Turkey ¹⁷	Lira	336,429	5,465	341,894	23,300,804	—17,136,798	6,505,900	5,406,200	10,200,000	33,900,000
Uganda	Shilling		153	153	38,522	—38,675			500,000	300,000
Union of Soviet Socialist Republics.	Ruble								1,100,000	
United Kingdom	Pound	968,781	²¹ 1,514,920	2,483,701	1,105,373	—2,620,293	968,781	7,504,034	77,300,000	2,500,000
Uruguay	Peso	13,130	2,019	15,149	2,562	—15	17,726	901,245	1,600,000	800,000
Venezuela	Bolivar		2,297	2,297	7,561	—9,858		1,197,616	4,300,000	5,800,000
Vietnam	Piastre	627,939	23,941	651,880	37,389,924	—22,581,113	15,460,691	10,623,438	393,700,000	58,300,000
Yemen	Rial							38,031	600,000	
Zambia	Pound				3,770	—3,770			200,000	
Various ²⁵										²² 21,400,000
Total, non-excess-currency countries.		11,416,803	27,446,566	38,863,369	150,026,226	—78,929,278	109,960,317	216,635,527	2,371,800,000	174,800,000
Total, all countries		1,395,064,525	37,759,193	1,432,833,718	826,274,180	—80,645,567	2,178,452,331	422,155,822	²⁷ 2,374,900,000	²⁸ 476,600,000

¹ Nonrestricted currencies may be used for payment of official obligations in the countries concerned, for accommodation exchange for U.S. personnel and for sale to U.S. citizens and non-profit organizations for travel and other purposes.

² Restricted by the terms of international agreements or by administrative determination to specific programs.

³ Country-use currencies are U.S.-owned foreign currencies which are restricted to expenditure for loans or grants within the respective countries.

⁴ Unfunding of foreign currencies pursuant to Public Laws 88-257, approved Dec. 31, 1963 (fiscal year 1964), 88-511, approved Aug. 30, 1964 (fiscal year 1965), 89-299, approved Oct. 28, 1965 (fiscal year 1966), and 89-677, approved Oct. 15, 1966 (permanent legislation).

⁵ Represents the undisbursed reservation account which is still available for expenditure by various departments and agencies on an unfunded basis pursuant to the public laws enumerated in footnote 4.

⁶ Includes accommodation exchanges.

⁷ Represents the purchase of foreign currencies by departments and agencies with appropriated dollars from available Treasury "FT" holdings and special letters of credit generations.

⁸ Excess currencies are the currencies of countries for which it has been determined that the supply is great enough to more than meet U.S. requirements for the next 2 years.

⁹ Represents accommodation exchange.

¹⁰ India: Includes \$4,353,346 which is available for sec. 104(g) purposes (formerly 104(d)) and \$657,894 which is available for sec. 104(d) purposes (formerly 104(g)).

¹¹ Israel: Includes \$1,000,000 which is available for American schools and hospitals abroad (special foreign currency program) pursuant to Public Law 89-691, approved Oct. 19, 1966.

¹² Pakistan: Includes \$2,125,863 which is available for administrative expenditures and such other purposes as may hereafter be agreed upon between the United States Government and the Government of Pakistan, \$1,480,749 which is available for 104(d) purposes (formerly 104(g)), and \$624,349 which is available for sec. 104(g) purposes (formerly 104(d)).

¹³ Near-excess currencies are those where the supply of currencies available is above the immediate needs of the United States but not by a great enough amount for the country to be declared an excess-currency country.

¹⁴ Indonesia: Includes \$905 which is available for educational, scientific, and cultural activities for the mutual benefit of the U.S. Government and the Government of Indonesia.

¹⁵ Paraguay: Deleted from the "near-excess-currency" category for fiscal year 1968 pursuant to Bureau of the Budget Bulletin No. 67-12, dated June 29, 1967.

¹⁶ Nonexcess currencies are of all countries not designated as "excess" or "near-excess."

¹⁷ Deleted from the "near-excess-currency" category as of Dec. 31, 1966, pursuant to Bureau of the Budget Bulletin No. 67-9, dated Apr. 29, 1967.

¹⁸ China: Includes \$8,017 which represents the U.S. portion of counterpart funds deposited by the Taiwan Government.

¹⁹ Czechoslovakia: Includes the koruna equivalent of \$994,660 transferred from the Department of the Army to the Treasury Department.

²⁰ Finland: Declared near-excess currency for fiscal year 1967 pursuant to the Bureau of the Budget Bulletin No. 66-7, dated June 13, 1966, and deleted from this category as of July 1, 1967, pursuant to the Bureau of the Budget Bulletin No. 67-7, dated Dec. 1, 1966.

²¹ Ghana: Has been declared a near-excess-currency country for fiscal year 1968 pursuant to the Bureau of the Budget Bulletin No. 67-12, dated June 29, 1967.

²² The CFA franc is the official currency unit for Ivory Coast, Senegal, and Togo, as well as certain other countries, and is freely exchangeable for any other currency in the French franc area. Public Law 480 sales agreements include U.S. use provisions regarding interchangeability.

²³ Japan: Included \$24,400,000 which is available for educational, scientific, and cultural activities pursuant to an agreement with the Government of Japan, dated January 9, 1962.

²⁴ Senegal and Togo: Included in Ivory Coast.

²⁵ United Kingdom: Includes \$1,504,774 which is available for family housing programs.

²⁶ Consists of currencies of various countries received in payment of fees, services, etc., which were immediately purchased with appropriated funds for operating needs of collecting agencies with the proceeds being credited to miscellaneous receipts of the Treasury.

²⁷ Includes \$2,003,000,000 purchased by the Department of Defense.

²⁸ Includes \$201,900,000 purchased by the Department of Defense.

Mr. LAUSCHE. Do I correctly understand that we have \$1.5 billion worth of these nonnegotiable-over-the-world currencies in those countries where we have accepted their weak currencies instead of dollars?

Mr. WILLIAMS of Delaware. We have. To be exact, the figure is \$2.5 billion, but some of them are restricted as to use. We have \$1.376 billion nonrestricted. We have some currencies that are partially restricted, and we could negotiate with countries for their use in tourist travel. Why not use these soft currencies? Let them serve a useful purpose. If American tourists went to these countries we would get the dollars back into the Treasury and there would be no corresponding loss in gold as a result of their travel.

Mr. LAUSCHE. I understand this procedure, but I am asking these questions for the purpose of making the record clear about what the practice is.

Is it not a fact that we sell food to foreign nations and accept in payment for

that food what we call soft currency that we cannot use anywhere in the world except in those foreign nations?

Mr. WILLIAMS of Delaware. The Senator is correct. Nor can we buy hard commodities in those countries for shipment to our country and use these currencies in payment. In other words, these currencies can be used only for services rendered or products purchased in those countries. Let us use these to encourage more tourist travel in those areas. That is why I include this as a part of the plan during this period when we are short of gold.

Mr. LAUSCHE. I thank the Senator.

Mr. JAVITS. Mr. President, before the Senator continues to the next section, will the Senator yield to me for a moment?

Mr. WILLIAMS of Delaware. I yield to the Senator from New York.

Mr. JAVITS. Mr. President, the plan to which the Senator is referring is a matter under consideration by the task

force on travel which is headed by the Vice President of the United States, and it is under consideration by one of the subcommittees of the task force on travel.

Could not the Senator conceive of the fact that through the action of the banks of the United States, working in cooperation with banks in tourist-objective countries, it might be possible to take this very plan, which is based only on excess currency, and extend it, perhaps, to other currencies which are not excess? Thereby, foreign nations could encourage tourism from the United States; and under our balance-of-payments problems, they would be willing to lend us their money for a long time, such as 20 or 30 years—we are perfectly good for the money—and thereby continue tourist interchange—and this may be very much to the interest and the enjoyment of our people—without embarrassing the American balance of payments. So the

plan would not necessarily be confined to those countries alone.

It would restrict tourist opportunities to imaginative use, rather than to use the discriminatory hand of a consumer tax, which is what the administration is talking about. It would use a little imagination in terms of world finance and world business. It would produce a plan by which both would be served; that is, the economy and the problems of our balance of payments, and the opportunities it would afford Americans to travel.

I might point out, too, that it could be a cooperative arrangement, in which dollars would be made available. That is the big factor—the fact that not enough foreigners are being induced on a concessionary basis to travel in the United States.

Mr. WILLIAMS of Delaware. I agree with the Senator's suggestion. I am familiar with the proposal and with the work being done by the task force. There is a broad field in which a plan can be worked out to encourage travel by foreigners to the United States. Also, it is important that Americans be encouraged to visit abroad so as to get a better understanding of world conditions.

I dislike to see a restriction of travel by Americans abroad or American citizens placed in the position of being considered unpatriotic because they are now ready to take vacations they have been planning for many years. Perhaps some steps are necessary to reduce this drain on our gold, but I think a solution can be found without imposing drastic restrictions on travel by Americans abroad. The soft currencies which are in the Treasury doing nothing and which cannot be used for other purposes, could well be diverted in that direction.

Mr. JAVITS. The Senator from Ohio [Mr. LAUSCHE] is a member of the Committee on Foreign Relations. I feel certain that he will agree with us that in areas where it is necessary to come to agreements with indigenous countries in order to use their currencies, many countries are just as desirous as we are that their currencies be used for constructive purposes, including the encouragement of travel in those countries.

Mr. LAUSCHE. I agree.

Mr. WILLIAMS of Delaware. I think it can be done without disrupting our foreign relations; in fact, I think it would improve them.

The PRESIDING OFFICER. The time of the Senator from Delaware has expired.

Mr. WILLIAMS of Delaware. Mr. President, I ask unanimous consent that I may proceed for whatever additional time is necessary for me to complete my remarks.

Mr. BYRD of West Virginia. Mr. President, reserving the right to object—and I shall not object—I wonder whether the distinguished Senator from Delaware would place a limit on the time he requires.

Mr. WILLIAMS of Delaware. Thirty minutes; I may not need to take that much time.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and

the Senator from Delaware is recognized for an additional 30 minutes.

Mr. JAVITS. Mr. President, will the Senator yield, to permit me to complete the observation?

Mr. WILLIAMS of Delaware. I yield.

Mr. JAVITS. So the Senator believes, as I do, that with the use of a little ingenuity, and considering the amount of credit and resources which we have available, a great deal can be done to overcome the travel gap. After all, the administration's objective is only \$1.250 billion, and the travel gap is about \$2 billion. The objective is to cut it down to \$1.5 billion or a little less.

According to the Senator's ideas and those I have suggested, a great deal more than that could be done, yet there would be no interference with the freedom to travel, which is so dearly held by the American people.

Mr. WILLIAMS of Delaware. That is correct.

Mr. JAVITS. I thank the Senator.

Mr. WILLIAMS of Delaware. Mr. President, section 10 provides a moratorium on all nonessential travel by Government officials in the legislative, executive, and judiciary branches of the Government until such time as our budgetary conditions have been brought under control.

To achieve this objective all travel to foreign countries by any Government official must first be certified as essential to the national interests by the heads of the respective Departments.

For example, the President pro tempore of the Senate must certify as essential all foreign travel at Government expense by any Senator or Senate employee. Representatives would require a certificate from the Speaker of the House, while travel at Government expense by members of the judiciary or any division of the executive branch would require certification by the head of the agency who in turn would get the approval of the President.

Certainly before Congress considers restricting travel by private citizens who are paying their own expenses Government officials could do no less than to set the proper example.

In recent months we have read press accounts where members of the judiciary and their wives, and members of the legislative and executive branches and their wives were traveling all over the world at taxpayers' expense. Many Federal, State, and local officials, Governors, mayors, and even members of toll bridge authorities are junketing to the far corners of the world to attend conferences under the guise of seeking information which they could get just as well here in the United States.

Most certainly before any tax or restriction on travel by private citizens is considered all Government officials should begin by setting the example. There can be no justification for the establishment of a privileged class of globe-trotters here in America. Let us never forget that these private citizens who are planning trips abroad are paying their own expenses.

I have had many cases called to my attention wherein retired citizens who

have been saving all their lives for a trip abroad are now embarrassed by the inference that their one vacation may be considered unpatriotic. Certainly this is not the type of travel which is responsible for our unfavorable trade balance.

A per diem tax would be a severe penalty to these people operating on a limited budget whereas the tax would be no deterrent to the wealthy or to those traveling at taxpayers' expense.

Section 11 provides for the removal of the present gold cover, thereby releasing all of our gold in support of the American dollar.

These are the necessary steps which I think must be taken if we are to check this inflationary spiral and protect the American dollar.

Under this legislative program which I have outlined, expenditure reductions would be written into law and also taxes would be increased. By taking this action we would be serving notice to the world that we are willing to tighten our belts and that we are determined to put our financial house in order. Such conservative action would go far toward repudiating any thought as to the stability of the American dollar.

Had such action been taken a few years ago to control our deficits, it would not now be necessary even to consider the elimination of the gold cover; however, action was not taken. Therefore, in addition to curtailing expenditures and raising taxes we have no choice except to follow through and remove the gold cover, thereby serving notice to the world that the American dollar is sound and that the full resources of our country are behind its protection. But I place emphasis upon the point that the section removing the gold cover is the last section of this bill.

I am introducing this bill as a package, and at the same time filing a request with the chairman of the Senate Finance Committee that prompt hearings be held on these various proposals.

I realize that certain sections of this bill could very appropriately come under the jurisdiction of other committees, and I would have no objection to other committees considering those sections of the bill which come under their jurisdiction and making their recommendations. But what is important is that all of these proposals be considered as one package.

In my opinion this is necessary because to approve the tax increase alone without first having written into law a mandatory reduction in expenditures would only further fan the fires of inflation. Such a step would only be providing additional revenue whereby the administration could expand its spending on the many Great Society programs, and I want to make clear that as one Member of the Senate I will oppose any tax increase prior to real expenditure reductions.

Likewise, while I feel that it will be necessary at the present stage to remove the cover on gold I will support such action again only with the understanding that the removal of the gold cover has either been preceded or at least accompanied by other equally essential steps; namely, a bona fide expenditure reduction and a tax increase.

To remove the gold cover in the face of a \$20 billion deficit for fiscal 1968 and a potential \$28 billion deficit for fiscal 1969 without first having taken the hard and necessary steps of reducing expenditures and increasing taxes would serve no purpose except to borrow a few months time before the day of reckoning. This is not the time for either the Congress or the administration to procrastinate.

Therefore I make it clear that I shall oppose any effort to remove the gold cover unless action has been taken on expenditure reductions and tax increases or unless it is made clear that favorable action is to be taken. There is no reason why a vote on all of these proposals cannot be taken by the Senate prior to April 1, 1968.

A bill to extend the excise taxes—which otherwise would expire April 1, 1968—will be before us for consideration prior to that date. This bill which I am introducing here today will be germane as an amendment to that bill, and the provisions of this bill will be offered at that time.

I am thoroughly convinced that if this Congress and the administration will work together we can take affirmative steps to provide for a bona fide reduction in expenditures as well as a tax increase and thereby prevent disastrous inflation and ultimate devaluation of our dollar.

Let us never forget that uncontrolled inflation is invariably followed by a recession.

Questions may be asked by some citizens as to why such a comprehensive legislative package has not been introduced or pushed in the House of Representatives since House Members have likewise insisted upon expenditure reductions either preceding or accompanying any tax increase.

The explanation is very simple. The House of Representatives operates under different rules of germaneness. The Ways and Means Committee would not have jurisdiction to act upon a package bill containing these various legislative proposals which I have outlined as being essential. The Ways and Means Committee has jurisdiction over revenue measures. The Post Office and Civil Service Committee would have jurisdiction over sections which deal with reductions in Federal employees while the Appropriations Committee would act on that section proposing overall limitation of expenditures. The Banking and Currency Committee would claim jurisdiction over the question of removing the gold cover.

In the Senate, without a rule of germaneness, the bill can be introduced as a package; the various committees if interested can hold hearings on their respective proposals, and working together we can report out a single package bill.

On the other hand, assuming no action is taken by the Senate committees in unison on this bill, any of its sections would be germane as amendments to a previously enacted revenue-producing bill sent over from the House.

Therefore, I am asking the chairman of the Senate Finance Committee for prompt hearings and am expressing the hope that action can be taken by the

Senate during the early weeks of this session, along with other revenue measures which expire April 1.

American business and individual taxpayers are all entitled to know the rate of taxation that will prevail in order that they may more properly make their plans.

Our economy is suffering today as the result of the uncertainty as to what Congress will or will not do on the question of cutting expenditures and raising taxes.

This uncertainty can only be eliminated by a prompt vote on these various proposals.

At the same time, as we consider expenditure reductions and tax increases we must also close some of the existing loopholes in our present tax laws. I am therefore introducing as a separate bill a proposal to reduce the present depletion rates on oil and all other commodities down to a rate not exceeding 20 percent.

This reduction will be achieved in three steps. The first year's reduction will be from 27½ to 25 percent; the second year, from 25 to 22½ percent; and the third year, from 22½ to 20 percent.

The reason I am introducing this reduction in depletion allowance as a separate bill and not as a part of the above-described package does not mean that I am not equally interested in its enactment; however, being realistic, I recognize that here we are dealing with a controversial point, and rather than hamper the discussion and consideration of what I believe to be a mandatory package bill, this latter proposal is being introduced as a separate measure along with a definite commitment that it likewise will be offered in the committee and pushed for consideration by the Senate. Simultaneous hearings can be held on both bills.

I am not a pessimist; nor do I wish to be an alarmist. The United States of America is a great country, and I most respectfully suggest that our international friends will be making a mistake if they underestimate either our capacity or our determination to remain solvent.

I am a realist, however, and in my opinion it would be a catastrophe for our Government—Congress and the President—to sit idly by and allow our country to drift toward the financial crisis which we can all see and which, acting together, we can avoid.

Again I repeat—it is not enough for either the Congress or the President to pass the buck as to the responsibility. We are all equally responsible.

In the January 29, 1968, issue of the U.S. News & World Report, David Lawrence expressed a very timely warning on the subject, as follows:

The Administration can still correct its errors and use its authority to stop wasteful spending as well as the expenditure of huge sums for programs which, even though meritorious, should wait for fulfillment until the nation can really afford them.

When Treasury deficits keep piling up year after year, eventually confidence—not only in the monetary unit but in the economic condition of the country itself—begins to waver, and business is finally confronted with a depression as unemployment ensues.

There is time yet to avoid such contingencies. They will not be avoided, however,

unless the Administration puts the welfare of the country ahead of partisan politics and seeks courageously to cure the "state of disunion" by giving us a healthy "state of the Union" based on fiscal soundness and domestic security.

Congressional approval of this bill as a package would provide for a mandatory reduction in expenditures of at least \$8 billion. The tax increase proposals plus the extension of the excise taxes would increase revenue by \$9.2 billion, and together they would reduce by well over one-half the fiscal 1969 projected \$28 billion deficit.

Later in this session, as Congress acts on the various appropriation bills for fiscal 1969, each appropriation should and must be carefully scrutinized. Further reductions can be achieved; however, it should be noted that while they would further reduce cash expenditures in fiscal 1969, the major impact of reductions in appropriation bills for fiscal 1969 develops in succeeding years. This is equally as important because it is the long-range trend of bringing our future budgetary deficits under control that must be dealt with as well as the current situation.

The alternative to Congress taking these hard but necessary steps in my opinion, will be even worse.

No action to control these expanding deficits—whether or not camouflaged by new accounting methods—will only further feed the fires of inflation, accelerate our loss of gold, and lead to the ultimate devaluation of our currency.

That must not happen here in America, and it is my responsibility and your responsibility to see that it does not.

Mr. President, I send to the desk the two bills to carry out the program as outlined, and at the same time I ask unanimous consent that both bills be printed in the RECORD along with a section by section analysis of each as prepared by the committee staff.

The PRESIDING OFFICER. Without objection, the bills will be received and appropriately referred; and, in accordance with the request of the Senator from Delaware, the bills will be printed in the RECORD.

The bill, introduced by Mr. WILLIAMS of Delaware, was received, read twice by its title, referred to the Committee on Finance, and ordered to be printed in the RECORD, as follows:

S. 2902. A bill to improve the balance of payments and protect the domestic economy of the United States:

S. 2902

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Balance of Payments and Domestic Economy Act of 1968".

SEC. 2. ONE-YEAR POSTPONEMENT OF CERTAIN EXCISE TAX RATE REDUCTIONS.

(a) (1) Section 4061(a) (2) (A) of the Internal Revenue Code of 1954 (relating to tax on passenger automobiles) is amended to read as follows:

"(A) Articles enumerated in subparagraph (B) are taxable at whichever of the following rates is applicable:

"7 per centum for the period beginning

with the day after the date of the enactment of the Tax Adjustment Act of 1966 through March 31, 1969.

"1 per centum for the period after March 31, 1969."

(2) Section 6412(a) (1) of such Code (relating to floor stocks refunds on passenger automobiles, etc.) is amended by striking out "April 1, 1968, or January 1, 1969" and inserting in lieu thereof "or April 1, 1969".

(b) Section 4251 of the Internal Revenue Code of 1954 (relating to tax on communications) is amended—

(1) by striking out subsection (a) (2) and inserting in lieu thereof the following:

"(2) The rate of tax referred to in paragraph (1) is 10 per centum of amounts paid pursuant to bills first rendered before April 1, 1969.";

(2) by striking out "January 1, 1969" in subsection (b) and inserting in lieu thereof "April 1, 1969"; and

(3) by striking out subsection (c) and inserting in lieu thereof the following:

"(c) SPECIAL RULE.—For purposes of subsections (a) and (b), in the case of communications services rendered after April 30, 1968, and before February 1, 1969, for which a bill has not been rendered before April 1, 1969, a bill shall be treated as having been first rendered on March 31, 1969."

(c) The amendments made by subsection (a) shall apply with respect to articles sold on or after April 1, 1968. The amendments made by subsection (b) shall apply to amounts paid pursuant to bills first rendered on or after April 1, 1968.

SEC. 3. REDUCTION IN NUMBER OF CIVILIAN OFFICERS AND EMPLOYEES IN THE EXECUTIVE BRANCH

(a) During any period in which the aggregate number of full-time civilian officers and employees (including the full-time equivalent of part-time employment) in the executive branch of the Government exceeds the aggregate number employed on September 20, 1966, no vacancy in any office or position in any department or agency in the executive branch of the Government resulting from the resignation, retirement, transfer, removal, or death of the incumbent of such office or position shall be filled, except pursuant to a determination of the Director of the Bureau of the Budget (hereinafter referred to as the 'Director') under subsection (b).

(b) The Director shall make continuing studies of the personnel needs of the various departments and agencies of the Government during any period referred to in subsection (a), and shall determine which of the vacancies occurring in such departments and agencies may be filled. Such determinations shall be so made that the aggregate number of vacancies filled during any calendar quarter, beginning with the quarter ending June 30, 1968, in the executive branch of the Government, shall not exceed 25 per centum of the aggregate number of vacancies occurring during such quarter. The determinations of the Director under this subsection shall be made on the basis of the relative needs of the various departments and agencies for personnel, having in mind the importance to the national health, security, and welfare of their respective functions and activities. Such determinations may be made by such appropriation units or organization units as the Director may deem appropriate.

(c) The Director shall maintain a continuous study of all appropriations and contract authorizations in relation to personnel employed and shall reserve from expenditure the savings in salaries and wages resulting from the operation of this section, and any savings in other categories of expense which he determines will result from such operation.

(d) The departments and agencies in the

executive branch shall submit to the Director such information as may be necessary to enable him to carry out his functions under this section.

(e) The Director shall submit to the Senate and the House of Representatives at the end of each calendar quarter, beginning with the quarter ending June 30, 1968, a report of his activities under this section.

(f) This section shall not apply to officers and employees in the Department of Defense, the postal field service, and the Federal Bureau of Investigation, to casual employees, as defined by the Director, to employees employed without compensation, to offices filled by appointment by the President by and with the advice and consent of the Senate, or to offices or positions filled by transfer from another position within the same or another department or agency, except that such employees, offices, and positions shall be taken into consideration in determining the aggregate number of officers and employees for the purposes of subsection (a).

(g) Nothing in this section shall supersede or modify the reemployment rights of any person under section 9 of the Military Selective Service Act of 1967 or any other provision of law conferring reemployment rights upon persons who have performed active duty in the Armed Forces.

(h) This section shall take effect on April 1, 1968.

SEC. 4. MORATORIUM ON PUBLIC WORKS PROJECTS

(a) (1) Notwithstanding any other provision of law, no Federal department or agency shall, during the period in which this section is in effect—

(A) initiate the planning or construction of any public works project (including projects for recreational facilities but excluding projects for highways), or

(B) make any grant to any State or local government agency for initiating the planning or construction of any such public works project.

(2) Upon request of the head of the Federal department or agency concerned, the Director of the Office of Emergency Planning shall investigate a public works project with respect to which paragraph (1) applies for the purpose of determining whether the delay in planning or construction of such public works project required by paragraph (1) will cause irreparable damage to the public health or welfare. If with respect to any planning or construction of any such public works project, the Director determines that such delay will cause such irreparable damage, paragraph (1) shall cease to apply with respect to such planning or construction effective on the date on which the Director publishes such determination.

(3) The Director shall report, from time to time, the results of his investigations and determinations under paragraph (2) to the President and the Congress.

(b) (1) The Director of the Office of Emergency Planning shall make an investigation of all public works projects (including projects for recreational facilities but excluding highway projects), the planning or construction of which has been initiated on or before the date of the enactment of this Act and is being carried out by a Federal department or agency or by a State or local government agency with Federal assistance, for the purpose of determining what planning and construction on such public works projects can be temporarily halted without causing irreparable damage to the public health or welfare.

(2) Notwithstanding any other provision of law, no Federal department or agency shall—

(A) continue any planning or construction, or

(B) make any grant (or payment of a grant previously made) to any State or local

government agency for continuing any planning or construction,

which the Director determines under paragraph (1) can be so temporarily halted, during the remainder of the period in which this section is in effect beginning with the day after the date on which the Director publishes such determination.

(3) The Director shall, as soon as practicable, report the results of his investigation and determinations under paragraph (2) to the President and the Congress.

(c) This section shall apply during the period beginning on the day after the date of the enactment of this Act and ending on the last day on which the tax required to be deducted and withheld on wages under section 3402 of the Internal Revenue Code of 1954 includes any amount attributable to the tax surcharge imposed by section 51 of such Code.

SEC. 5. LIMITATION ON EXPENDITURES DURING FISCAL YEAR 1969.

(a) Expenditures under the Budget of the United States (referred to in the 1968 State of the Union Address of the President as totaling \$186.0 billion) during the fiscal year ending June 30, 1969, shall not exceed \$178.0 billion, except by those expenditures in excess of \$25.0 billion that the President may determine are necessary in behalf of our military effort in Southeast Asia.

(b) To effectuate the provisions of subsection (a), the President shall reserve from expenditure such amounts from such appropriations or other obligatory authority, heretofore or hereafter made available, as he may prescribe.

SEC. 6. IMPOSITION OF TAX SURCHARGE.

(a) Subchapter A of chapter 1 of the Internal Revenue Code of 1954 (relating to determination of tax liability) is amended by adding at the end thereof the following new part:

"PART V—TAX SURCHARGE

"SEC. 51. TAX SURCHARGE

"SEC. 51. TAX SURCHARGE.

"(a) IMPOSITION OF TAX.—

"(1) CALENDAR YEAR TAXPAYERS.—In addition to the other taxes imposed by this chapter, there is hereby imposed on the income of every person whose taxable year is the calendar year, a tax equal to the percent of the adjusted tax (as defined in subsection (b)) for the taxable year specified in the following table:

Calendar year	Percent	
	Individuals	Corporations
1968.....	4.5	8
1969.....	3.0	4

"(2) FISCAL YEAR TAXPAYERS.—In addition to the other taxes imposed by this chapter, in the case of taxable years ending on or after the effective date of the surcharge and beginning before July 1, 1969, there is hereby imposed on the income of every person whose taxable year is other than the calendar year, a tax equal to—

"(A) 6 percent of the adjusted tax for the taxable year, in the case of an individual, and 8 percent of the adjusted tax for the taxable year, in the case of a corporation, multiplied by

"(B) a fraction, the numerator of which is the number of days in the taxable year occurring on and after the effective date of the surcharge and before July 1, 1969, and the denominator of which is the number of days in the entire taxable year.

"(3) EFFECTIVE DATE DEFINED.—For purposes of paragraph (2), the 'effective date of the surcharge' means—

"(A) January 1, 1968, in the case of a corporation, and

"(B) April 1, 1968, in the case of an individual.

"(b) ADJUSTED TAX DEFINED.—For purposes of this section, the adjusted tax for a taxable year means the tax imposed by this chapter (other than by this section, section 871(a) or section 881) for such taxable year, reduced by any credit allowable for such year under section 37 (relating to retirement income) computed without regard to this section.

"(c) AUTHORITY TO PRESCRIBE COMPOSITE TAX RATES AND TABLES.—The Secretary or his delegate may determine, and require the use of, composite tax rates incorporating the tax imposed by this section and prescribe regulations setting forth modified optional tax tables computed upon the basis of such composite rates. The composite rates so determined may be rounded to the nearest whole percentage point as determined under regulations prescribed by the Secretary or his delegate. If, pursuant to this subsection, the Secretary or his delegate prescribes regulations setting forth modified optional tax tables for a taxable year, then, notwithstanding section 144(a), in the case of a taxpayer to whom a credit is allowable for such taxable year under section 37, the standard deduction may be elected regardless of whether the taxpayer elects to pay the tax imposed by section 3.

"(d) ESTIMATED TAX.—For purposes of applying the provisions of this title with respect to declarations and payments of estimated income tax due more than 45 days (15 days in the case of a corporation) after the date of the enactment of this section—

"(1) in the case of a corporation, so much of any tax imposed by this section as is attributable to the tax imposed by section 11 or 1201(a) or subchapter L shall be treated as a tax imposed by such section 11 or 1201(a) or subchapter L;

"(2) the term 'tax shown on the return of the individual for the preceding taxable year', as used in section 6654(d)(1), shall mean the tax which would have been shown on such return if the tax imposed by this section were applicable to taxable years ending after March 31, 1967, and beginning before April 1, 1968; and

"(3) the term 'tax shown on the return of the corporation for the preceding taxable year', as used in section 6655(d)(1), shall mean the tax which would have been shown on such return if the tax imposed by this section were applicable to taxable years ending after December 31, 1966, and beginning before January 1, 1968.

"(e) WESTERN HEMISPHERE TRADE CORPORATIONS AND DIVIDENDS ON CERTAIN PREFERRED STOCK.—In computing, for a taxable year of a corporation, the fraction described in—

"(1) section 244(a)(2) (relating to deduction with respect to dividends received on the preferred stock of a public utility),

"(2) section 247(a)(2) (relating to deduction with respect to certain dividends paid by a public utility), or

"(3) section 922(2) (relating to special deduction for Western Hemisphere trade corporations),

the denominator shall, under regulations prescribed by the Secretary or his delegate, be increased to reflect the rate at which tax is imposed under subsection (a) for such taxable year.

"(f) WITHHOLDING ON WAGES.—In the case of wages paid after March 31, 1968, and before July 1, 1969, the amount required to be deducted and withheld under section 3402 shall be determined in accordance with the tables prescribed by the Secretary or his delegate in lieu of the tables set forth in section 3402 (a) or (c)(1)."

(b) Section 963(b) of the Internal Revenue Code of 1954 (relating to receipt of minimum distributions by domestic corporations) is amended—

(1) by striking out the heading of paragraph (1) and inserting in lieu thereof the following:

"(2) TAXABLE YEARS BEGINNING IN 1963 AND 1968.—", and

(2) by striking out the heading of paragraph (3) and inserting in lieu thereof the following:

"(3) TAXABLE YEARS BEGINNING IN 1965, 1966, 1967, AND AFTER DECEMBER 31, 1968.—".

(c) The table of parts of subchapter A of chapter 1 of such Code is amended by adding at the end thereof the following:

"Part V. Tax surcharge."

(d) The amendments made by this section shall apply—

(1) insofar as they relate to individuals, with respect to taxable years ending after March 31, 1968, and beginning before July 1, 1969, and

(2) insofar as they relate to corporations, with respect to taxable years ending after December 31, 1967, and beginning before July 1, 1969.

SEC. 7. REMOVAL OF INTEREST LIMITATIONS ON GOVERNMENT BONDS.

(a) The first sentence of the second paragraph of the first section of the Second Liberty Bond Act (31 U.S.C. 752) is amended

" 915.30	In lieu of the \$100 and \$200 exemptions provided in item 813.31 for articles imported by or for the account of a person arriving in the United States who is a returning resident thereof, articles to which such item otherwise applies not over \$25 in aggregate fair retail value in the country of acquisition.....	Free	Free	For returning residents arriving on or before the date prescribed by section 4911(d) of the Internal Revenue Code of 1954 for termination of the Interest Equalization Tax imposed by section 4911(a) of such Code.
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(b) The headnotes for subpart B of part 1 of the appendix to the Tariff Schedules of the United States is amended by inserting "or item 915.30" after "item 915.25".

(c) The amendments made by subsections (a) and (b) shall apply with respect to persons arriving in the United States on or after April 1, 1968.

SEC. 9. USE OF SURPLUS FOREIGN CURRENCIES.

(a) In order to encourage the use of surplus foreign currencies by United States residents engaging in foreign travel, the Secretary of the Treasury shall, during the period in which this section is in effect, make such currencies available to qualified individuals in exchange for dollars at rates under which the amount of any such currency received by an individual will be equal to 110 percent of the amount, as determined by the Secretary, which the individual would receive under rates of exchange otherwise applicable.

(b) For the purpose of this section—

(1) The term "surplus foreign currency" means foreign currency owned by the United States which is available, under applicable agreements with the foreign country concerned, for the use of the United States Government and which is determined by the Secretary of the Treasury to be in excess of the normal requirements of departments and agencies of the United States for such currency.

(2) The term "qualified individual" means a resident of the United States who furnishes the Secretary of the Treasury with satisfactory assurances that foreign currency of any country obtained under this section will be used to pay the ordinary costs incurred by such individual, or by a member of his family who is a resident of the United States, in connection with foreign travel no part of the itinerary of which includes travel in a country the currency of which is not available under this section (except for travel determined by the Secretary to be reasonably necessary to reach and return from the country the currency of which is obtained).

(c) Each agreement hereafter entered into, or hereafter amended or extended, between the United States and any foreign country under which currency of such country accrues or will accrue for the use of the United

by striking out "not exceeding four and one-quarter per centum per annum."

(b) The second sentence of section 22(b)(1) of such Act (31 U.S.C. 757c) is amended to read as follows: "Such bonds and certificates may be sold at such price or prices, bear such interest rate or afford such investment yield or both, and be redeemed before maturity upon such terms and conditions as the Secretary of the Treasury may prescribe."

(c) The second sentence of section 22A(b)(1) of such Act (31 U.S.C. 757c-2) is amended to read as follows: "Such bonds shall be sold at such price or prices, afford such investment yield, and be redeemable before maturity upon such terms and conditions as the Secretary of the Treasury may prescribe."

(d) Section 25 of such Act (31 U.S.C. 757c-1) is repealed.

SEC. 8. TEMPORARY REDUCTION IN EXEMPTION FROM DUTY FOR RETURNING RESIDENTS.

(a) Subpart B of part 1 of the appendix to the Tariff Schedules of the United States is amended by inserting after item 915.25 the following new item:

" 915.30	In lieu of the \$100 and \$200 exemptions provided in item 813.31 for articles imported by or for the account of a person arriving in the United States who is a returning resident thereof, articles to which such item otherwise applies not over \$25 in aggregate fair retail value in the country of acquisition.....	Free	Free	For returning residents arriving on or before the date prescribed by section 4911(d) of the Internal Revenue Code of 1954 for termination of the Interest Equalization Tax imposed by section 4911(a) of such Code.
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States shall include provisions permitting the use of such currency for the purposes of this section.

(d) This section shall apply during the period beginning on the day after the date of the enactment of this Act and ending on the date prescribed by section 4911(d) of the Internal Revenue Code of 1954 for termination of the Interest Equalization Tax imposed by section 4911(a) of such Code.

SEC. 10. LIMITATION ON FOREIGN TRAVEL BY GOVERNMENT OFFICERS AND EMPLOYEES.

(a) No money appropriated or otherwise made available by Act of Congress shall be used to pay any costs of or incident to travel in any foreign country during the period in which this section is in effect by any civilian officer or employee in the Executive, Legislative, or Judicial branch of the Government, unless the authorization for such travel contains or is accompanied by a certification by the proper certifying officer that the travel in such foreign country is essential.

(b) Subsection (a) shall not apply to—

(1) travel in a foreign country by an officer or employee whose principal place of duty is in such foreign country, or

(2) travel which is begun on or before the date of the enactment of this Act.

(c) For the purposes of this section, the term "proper certifying officer" means—

(1) the President of the United States, with respect to the heads of the departments and agencies in the Executive branch, the President pro tempore of the Senate, the Speaker of the House of Representatives, the Chief Justice of the United States, the justices and judges of the courts of the United States, and officers and employees in the Judicial branch;

(2) the head of a department or agency in the Executive branch, with respect to officers and employees of such department or agency;

(3) the President pro tempore of the Senate, with respect to Members, officers, and employees of the Senate; and

(4) the Speaker of the House of Representatives, with respect to Members, officers, and employees of the House of Representatives, and other officers and employees in the Legislative branch (other officers and employees of the Senate).

(d) This section shall apply during the period beginning on the day after the date of the enactment of this Act and ending on the date prescribed by section 4911(d) of the Internal Revenue Code of 1954 for termination of the Interest Equalization Tax imposed by section 4911(a) of such Code.

SEC. 11. REMOVAL OF GOLD RESERVE REQUIREMENTS FOR FEDERAL RESERVE NOTES, UNITED STATES NOTES, AND TREASURY NOTES OF 1890.

(a) Subsection (c) of section 11 of the Federal Reserve Act (12 U.S.C. 248(c)) is amended by striking both provisos, and by striking the last sentence, in such subsection.

(b) The first sentence of section 15 of the Federal Reserve Act (12 U.S.C. 391) is amended by striking "and the funds provided in this Act for the redemption of Federal Reserve notes".

(c) That part of the third paragraph of section 16 of the Federal Reserve Act (12 U.S.C. 413) which precedes the last two sentences of such paragraph is amended to read: "Federal Reserve notes shall bear upon their faces a distinctive letter and serial number which shall be assigned by the Board of Governors of the Federal Reserve System to each Federal Reserve bank."

(d) (1) The first sentence of the fourth paragraph of section 16 of the Federal Reserve Act (12 U.S.C. 414) is repealed.

(2) The sentence which, prior to the repeal made by this section, was the second sentence of such paragraph is amended by inserting immediately after "The Board" the following: "of Governors of the Federal Reserve System".

(e) The sixth paragraph of section 16 of the Federal Reserve Act (12 U.S.C. 415) is repealed.

(f) The fourth sentence of the paragraph which, prior to the amendments made by this Act, was the seventh paragraph of section 16 of the Federal Reserve Act (12 U.S.C. 416) is repealed.

(g) The paragraph which, prior to the amendments made by this Act, was the eighteenth paragraph of section 16 of the Federal Reserve Act (12 U.S.C. 467) is repealed.

(h) Section 6 of the Gold Reserve Act of 1934 (31 U.S.C. 408a) is amended by striking in the second proviso the phrases "the reserve for United States notes and for Treasury notes of 1890, and" and "and the reserve for Federal Reserve notes shall be maintained in gold certificates, or in credits payable in gold certificates maintained with the Treasurer of the United States under section 16 of the Federal Reserve Act, as heretofore and by this Act amended".

(i) There are hereby repealed the sentences of subsection (a) of section 43 of the Act of May 12, 1933 (48 Stat. 31, 52; 31 U.S.C. 821(a)), which read: "No suspension of reserve requirements of the Federal Reserve banks, under the terms of section 11(c) of the Federal Reserve Act necessitated by reason of operations under this section, shall require the imposition of the graduated tax upon any deficiency in reserves as provided in said section 11(c). Nor shall it require any automatic increase in the rates of interest or discount charged by any Federal Reserve bank, as otherwise specified in that section."

(j) Section 2 of the Act of July 14, 1890 (26 Stat. 289) as amended (31 U.S.C. 408), is hereby repealed.

(k) Section 7 of the Act of January 30, 1934 (48 Stat. 341, 31 U.S.C. 408b), is amended by striking the phrase "and as a reserve for any United States notes and for Treasury notes of 1890" and also by striking the phrase "as a reserve for any United States notes and for Treasury notes of 1890, and".

The analysis of the bill (S. 2902), presented by Mr. WILLIAMS of Delaware, is as follows:

EXPLANATION OF THE BALANCE OF PAYMENTS AND DOMESTIC ECONOMY ACT OF 1968

Short title.—Section 1 of the bill recites that this act may be cited as "The Balance of Payments and Domestic Economy Act of 1968."

Telephone and auto excise taxes.—Section 2 continues for an additional year—until April 1, 1969—the existing 7 per cent excise tax on automobiles and the 10 per cent tax on telephone service. This section follows the pattern of existing law which provides a rate of tax at the termination of this extension equal to the tax which would have been applicable under the reductions scheduled by the Excise Tax Reduction Act of 1965. Specifically, the auto tax will drop from 7 per cent to 1 per cent, and the 1 per cent rate will apply on into the future. The telephone tax will drop from 10 per cent to zero. (The Administration proposal to extend these taxes for another year was presented to the Committee on Ways and Means, Monday, January 22. It adopts a slightly different approach by moving the pattern of scheduled reductions forward one year. Thus, the auto tax will drop from 7 per cent to 5 per cent in 1969 and to 1 per cent in 1970. The telephone tax will drop from 10 per cent to 1 per cent in 1969 and to zero in 1970.)

Freeze on Federal employees.—Section 3 imposes a ceiling on the number of Federal employees in the Executive Branch of the Government. Under this Section, the number of such employees may not exceed the aggregate number employed on September 20, 1966. The limitation would apply beginning April 1, 1968. If the number of employees in the Executive Branch exceeds the September 20, 1966 total, no vacancy in any office or position in any department or agency in the Executive Branch shall be filled, except that if the Director of the Bureau of the Budget determines that a personnel need exists in a department or agency one vacancy in four may be filled. The ceiling is not to apply, however, with respect to the Department of Defense, the Postal Services, and the Federal Bureau of Investigation. Nor is it to apply with respect to offices filled by and with the advice and consent of the Senate.

Moratorium on public works.—Section 4 imposes a moratorium on all public works projects which have been authorized but not yet begun. This moratorium would apply to recreational facilities as well as public buildings but it would not apply to the Federal highway construction program. The amendment also prohibits the Federal government from making grants to State or local governments for new public works projects. However, the head of the Federal department or agency involved may request the Director of the Office of Emergency Planning to investigate whether a proposed public works project may be undertaken. If the Director determines that delay in such project would cause irreparable damage to the public health or welfare, the project may be commenced. With respect to projects in progress, Section 4 requires the Director of the Office of Emergency Planning to investigate and determine whether the construction can be postponed during the moratorium without "irreparable damage to the public health or welfare." Such projects as he finds may be postponed, will be postponed. The moratorium would begin the day after the enactment of this act and would end on July 31, 1969. (The effective date of this moratorium is tied to the period for withholding tax on wages under the tax surcharge amendment described in Section 6.)

Limitation on budget expenditures.—Section 5 imposes a ceiling on the aggregate amount of Federal expenditures during the

fiscal year ending June 30, 1969. Under this section Federal expenditures shall not exceed \$178 billion. However, the ceiling is not to apply to expenditures the President determines are necessary because of our military efforts in Southeast Asia.

This section is similar in form to the Bow amendment limiting 1968 budget expenditures.

It differs from the Bow amendment in one respect. This bill refers to expenditures under the Budget of the United States, and not to administrative budget expenditures. The reason for this difference is that the President indicated the 1969 budget is to be restated in terms of the new unified concept recommended by his Commission on Budget Expenditures. The Commission named the new budget the "Budget of the United States" at page 12 of its October 1967 report. In order to overcome any ambiguity which might arise if the 1969 budget presented to Congress is not referred to as the Budget of the United States, however, the amendment further identifies the expenditures which it proposes to limit by referring to the expenditures as those which the President referred to in his State of the Union Address as totaling \$186.0 billion.

Like the Bow amendment it contains an exception to the expenditure limitation (which it provides) for increases in expenditures in behalf of our military effort in Southeast Asia. In the State of the Union Address, the President referred to these expenditures as totaling \$25.0 billion for fiscal 1969. The amendment uses this amount in providing that the expenditure limitation is not to apply to the extent expenditures in behalf of our military effort exceed this budgeted amount (\$25.0 billion).

Tax surcharge.—Section 6 would impose a 6 per cent surtax on individuals and an 8 per cent surtax on corporations. As under the Administration bill, the surtax on individuals would become effective April 1, 1968, and would apply until July 1, 1969. The surtax on corporations would apply as of January 1, 1968, and would continue until July 1, 1969.

Federal bond interest.—Section 7 repeals the 4½ per cent ceiling on interest paid on government bonds including savings bonds.

Returning tourist exemption.—Section 8 reduces the duty-free allowances available to returning residents from \$100 (\$200 in the case of travel to the Virgin Islands) down to \$25 with respect to persons arriving in the United States on or after April 1, 1968, and before the final termination of the interest equalization tax. Presently, this tax is scheduled to expire July 31, 1969.

Foreign travel.—Section 9 prohibits foreign travel by government officers and employees whether employed in the Legislative, Executive, or Judicial branch unless the authorization for their travel is certified by an appropriate person that the travel is essential. This provision applies to Members of Congress and to Justices of the Supreme Court as well as to regular employees. The certification required by this section is to be made by the President of the United States in the case of travel by heads of departments and agencies in the Executive Branch, President pro tempore of the Senate, the Speaker of the House, and the Justices and employees of the Judicial Branch. Certification with respect to Members and employees of the House is to be made by the Speaker of the House and certification with respect to Senators and employees of the Senate is to be made by the President pro tempore of the Senate. In the case of employees of departments or agencies in the Executive Branch the certification is to be made by the head of the department or agency involved. This prohibition on nonessential travel will become effective on the date of enactment and con-

tinue in effect until the final termination of the interest equalization tax.

Surplus foreign currencies.—Section 10 is designed to encourage the use of surplus foreign currencies by authorizing United States tourists to purchase such currencies at a 10 percent discount for use during foreign travel to countries where the United States owns surplus foreign currencies. The "bonus" foreign currency would not be available if the tourist travels to foreign countries where the United States does not have surplus currencies unless the travel is reasonably necessary for him to reach the country with respect to which he received the bonus currency. For instance, if he were to propose a trip to India where we have substantial excess currency, the 10 percent bonus of Indian rupees would be provided for him if he took a reasonably direct route to India but not if he proposed to make special side trips to the developed countries of Europe. The amendment also requires future contracts and future revisions of existing contracts under which foreign currency becomes available to the United States to include provisions permitting the use of the surplus currency for the travel described in this section. The bonus currency would be available from the date of enactment of this act to the final termination of the interest equalization tax.

Gold cover.—Section 11 removes the provision requiring the United States to maintain a 25 percent gold reserve to support its currency. Specifically, this section removes the gold cover from the date of enactment with respect to Federal Reserve Notes, United States Notes, and Treasury Notes of 1890. This section incorporates the text of S. 2857 introduced January 22, 1968, by the Honorable John Sparkman, Chairman, Committee on Banking and Currency.

The bill, introduced by Mr. WILLIAMS of Delaware, was received, read twice by its title, referred to the Committee on Finance, and ordered to be printed in the RECORD, as follows:

S. 2903. A bill to amend the Internal Revenue Code of 1954 to limit the maximum rate of percentage depletion to a rate of 20 percent:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 613(b)(1) of the Internal Revenue Code of 1954 (relating to percentage depletion rate for oil and gas wells) is amended—

(1) with respect to taxable years beginning in 1968, by striking out "27½ percent" and inserting in lieu thereof "25 percent";

(2) with respect to taxable years beginning in 1969, by striking out "25 percent" and inserting in lieu thereof "22½ percent"; and

(3) with respect to taxable years beginning in 1970 and subsequent years, by striking out "22½ percent" and inserting in lieu thereof "20 percent".

(b) Section 613(b)(2) of the Internal Revenue Code of 1954 (relating to percentage depletion rate for sulfur, uranium, and certain other deposits) is amended—

(1) with respect to taxable years beginning in 1969, by striking out "23 percent" and inserting in lieu thereof "22½ percent"; and

(2) with respect to taxable years beginning in 1970 and subsequent years, by striking out "22½ percent" and inserting in lieu thereof "20 percent".

The analysis of the bill (S. 2903), presented by Mr. WILLIAMS of Delaware, is as follows:

EXPLANATION OF DEPLETION BILL

Percentage depletion.—This bill reduces all percentage depletion allowances which are currently above 20 percent down to 20 percent over a three-year period. In 1968, only the oil depletion allowance would be

affected. It would be reduced from 27½ percent to 25 percent. In 1969 it would be further reduced to 22½ percent and in addition the present allowance of 23 percent applicable to uranium and sulfur and to a host of "strategic" minerals mined in the United States would also be reduced to 22½ percent. In 1970 and thereafter, these rates would be further reduced to a permanent level of 20 percent.

Mr. WILLIAMS of Delaware. Mr. President, I also ask unanimous consent, since the one bill would ordinarily automatically be referred to the Committee on Finance, that our committee be given jurisdiction over the various proposals in both bills.

The PRESIDING OFFICER. Will the Senator clarify his request, as to which committee should have it?

Mr. WILLIAMS of Delaware. The Finance Committee. The bills deal with proposed increased taxes but also propose certain expenditures reductions, and I am introducing them as a package bill for reference to that committee.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS obtained the floor.

Mr. JAVITS. Mr. President, I ask unanimous consent that I may suggest the absence of a quorum without losing my right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. JAVITS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

VISIT TO THE SENATE BY A DELEGATION FROM THE PARLIAMENT OF BRAZIL

Mr. BYRD of West Virginia. Mr. President, it gives me great pleasure, indeed, to invite the attention of the Senate to a visiting delegation to the United States of Members of the Brazilian Parliament.

There are 12 Members present, whose names are as follows:

Hon. Guido Mondin, Senator.

Hon. Jose Mandelli Filho, Deputy.

Hon. Teofilo Pires, Deputy.

Hon. Geraldino Dos Santos, Deputy.

Hon. Lauro Monteiro Da Cruz, Deputy.

Hon. Raymundo Brito, Deputy.

Hon. Padre Sousa Nobre, Deputy.

Hon. Raymundo Padilha, Deputy.

Hon. Levy Tavares, Deputy.

Hon. Yukishigue Tamura, Deputy.

Hon. Ezequias Costa, Deputy.

Hon. Jose Carlos Maya, Deputy.

Mr. President, these distinguished friends of ours are here with Mr. David Wayne Smith, a former citizen of West Virginia, who is the coordinator of congressional luncheons, and he is returning from Brazil.

I should like now to present the delegation to the Members of the Senate present in the Chamber; and, following that, will ask for a 5-minute recess so that Senators may meet this distinguished delegation from Brazil.

Mr. YARBOROUGH. Mr. President,

will the Senator from West Virginia yield so that I may make a short comment about the visiting delegation?

Mr. BYRD of West Virginia. I am very happy to yield to the Senator from Texas for that purpose.

Mr. YARBOROUGH. Mr. President, it was my privilege to be a member of the Interparliamentary Union delegation of the United States, when it went to Brasilia, the capital of Brazil, in 1962 to attend the Parliamentary Union conference of that year. They made available to us the facilities of their beautiful Parliament building. During the sessions—and I have attended similar sessions in other nations on other continents—we have never been treated more hospitably than we were treated in Brasilia while the conference was in progress. There were at least six Members of the U.S. Senate there, and six Members from the U.S. House of Representatives, as well as other staff officers. For about 2 weeks we toured Brazil, attending many meetings.

On behalf of those of us who attended—I do not see others who attended on the floor—and on behalf of the entire Congress, I want to thank our visitors from Brazil for the great hospitality they extended to the U.S. delegation at that meeting in Brasilia, at which meeting, incidentally, a Brazilian head of the International Parliamentary Union was elected.

With this introduction, I wish to express our openhearted and warm thanks for the way you treated the Members of Congress in the U.S. delegation in Brazil.

Mr. BYRD of West Virginia. I thank the Senator for his remarks.

Mr. President, I now present to the Senate the visiting members of the delegation from the Brazilian Parliament. [Applause, Senators rising.]

RECESS

Mr. BYRD of West Virginia. Mr. President, I now move that the Senate stand in recess for 5 minutes.

The motion was agreed to; and (at 2 o'clock and 30 minutes p.m.) the Senate took a recess.

At 2 o'clock and 35 minutes p.m., the Senate reassembled, when called to order by the Presiding Officer (Mr. HOLINGS in the chair.)

ECONOMIC SACRIFICES NEEDED IN ADDITION TO WAR "TAX"

Mr. JAVITS. Mr. President, perhaps the most extraordinary aspect of today's speeches by the Senator from Delaware and myself is in their contiguity, considering the fact, which I now represent as such to the Senate, that their preparation was not concerted in any way; and yet, in essence, they arrive at the same conclusion, notwithstanding the fact that the Senator from Delaware is considered to be quite a conservative Senator, and I am considered to be liberal.

That indicates to me, Mr. President, that we do understand what needs to be done about the situation of our country.

Mr. BYRD of West Virginia. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. BYRD of West Virginia. Would the Senator kindly distinguish between the two, for the record?

Mr. JAVITS. If the Senator will permit me, I will say that to make that distinction would take me longer than to make the speech. But without being facetious about it, I think that, by and large, the difference lies in how one votes on social welfare and international programs. I believe that this broad description is a fairly accurate standard.

But, Mr. President, it does indicate that we do know that there is an extraordinary confluence of opinion on what to do about our country's situation. The question is whether we will do it, and it is this question to which I wish to address my remarks.

The administration has declared that the Nation is in an emergency situation at home and abroad—an emergency that requires an increase in already high taxes. And yet the administration has failed to set the priorities for military over civilian spending that is always required in such emergencies. It has also failed to set priorities among the civilian expenditures themselves.

This is the real reason for the fuzzy thinking that dominates so much of the discussion concerning the economy. The plain fact is that the domestic emergency in the slums and ghettos demands a priority for solving the ills of the cities; and that the war in Vietnam—whether we like it or not—demands that adequate resources be made available for our military effort there. The plain fact is that the tax requested by the administration is in reality a "war tax" for Vietnam.

The gravity of the situation can hardly be overstated. The prestigious Presidential Advisory Commission on Intergovernmental Relations reported today that the federal system—the foundation of the American governmental system—was facing a threat exceeded in our Nation's history only by the Civil War. The Commission found that "when measured against present and prospective needs and expectations, progress seems discouragingly slow."

In my judgment, the only way to clear up the confusion concerning our economy is to make it clear that the war and the crisis of the cities have caused an emergency dangerous enough not only to require a tax increase but also to require other financial sacrifices and the establishment of real priorities.

To this end, I would recommend:

First. A tougher set of budgetary priorities. This, in many ways, is parallel to the conclusions of the Senator from Delaware [Mr. WILLIAMS], arrived at quite independently. Space, agriculture, public works, non-Vietnam defense, highway construction, and natural resources development programs should be cut further or be postponed to save about \$4 billion. At the same time spending for job training, education, health, housing, and poverty should be raised by about the same amount. This would not require exceeding projected spending levels for fiscal year 1969.

Second. Monetary restraints in effect since last November should be continued. The Federal Reserve Board's expansionary policy during 1967—when the money supply was expanding at the rate of 7 percent per year—has been an important contribution to inflationary pressures last year. Since last November the money supply was permitted to grow only at a 1-percent annual rate and this restraint should be continued.

Third. Enactment of the 10-percent tax surcharge, as absolutely necessary to help meet the costs of Vietnam. While the President's proposal would put most of the burden of the tax surcharge on individual taxpayers, I believe the bulk of the new surcharge should be placed on corporations. I notice that the Senator from Delaware [Mr. WILLIAMS] has attached some weight in favor of individuals as against corporations. This tax increase, however, must be accompanied by the submission to the Congress in 1968 by the administration of a tax-reform package to spread the tax burden more equitably. This tax-reform package should include, for example, the reduction of the oil depletion allowance from 27 to 20 percent, which would bring at least \$350 million into the Treasury. It is extraordinary that both the Senator from Delaware [Mr. WILLIAMS] and I came to exactly the same figure. In addition, taxing profits from the sale of inherited property could bring an additional \$130 to \$150 million into the Treasury. That is \$500 million in new money, and there are other loopholes that can be closed also.

Fourth. The establishment of a Presidential Commission to review the operations and to recommend streamlining of the Government, modeled after the Hoover Commission. Such a commission could be headed by President Eisenhower as suggested by a bill introduced last week by Senator SMATHERS and myself.

The Subcommittee on Government Operations is holding hearings on that question now, and there is formidable testimony demonstrating that is required and is the way in which to get Government economy and achieve the number of employees in Government that the Senator from Delaware [Mr. WILLIAMS] seeks.

I am sure that we have not established the proper priorities and that we have failed to recognize that the war in Vietnam is at the root of our troubles. That does not mean that the war in Vietnam should dictate our policy. However, it means that we must make a sacrifice in the form of a tax increase and that other restraints and sacrifices have to be undertaken.

It will be noted that I have not and will not in this particular speech, deal with the question of our international balance of payments, the gold situation, or the international financial situation. I hope to deal with that in a speech next week.

The President is telling the American people that while we are fighting a war in Vietnam, we can and are at the same time meeting our critical domestic problems. I believe we can, Mr. President, but are we? In my judgment, we

are not, and the administration knows it.

In addition to the visible costs of the war, there are vast hidden costs—the failure to meet critical domestic problems—which are leading to growing social and political discontent, inflation, and economic dislocation. The sooner the administration admits this, the sooner will the Nation be ready to face its domestic problems realistically. It is no use to meet these hard and intractable problems with half measures to create the impression that half measures will do.

The President's message on the state of the Union and on the budget give little encouragement that his administration fully comprehends the causes of our domestic social crisis. This is indicated by the President's own question in his state of the Union message. He said—

Why, why then this restlessness (among the American people)?

It is evident that the President cannot or will not face the harsh realities—that this restlessness is caused by the slowness with which urban problems are being recognized, by the half measures used to meet them, and by our inability to harness the vast resources of the Nation to the solution of our problems.

But the new budget shows that this administration is more concerned with the politics of the Nation's problems than with the problems themselves. There is no sign that tough decisions on priorities have been or will be made—although there is much talk about priorities—to make room within the proposed budget for problems that need to be funded now to deal with our urban crises before they pass out of control. Instead, the budget eliminates no programs. Most existing programs are left with some funds, but no program is left with enough money to make a decisive impact. This may be good consensus politics, but it can only worsen our domestic situation.

Certainly, the American people are carrying a heavy tax load today. Many blame the rising cost of government on rising welfare costs or waste, but the President himself admits that it is due to the heavy cost of Vietnam.

It is not the rise in regular budget outlays which requires a tax increase, but the cost of Vietnam—

Says the President in his budget message.

Unless the President makes this more clear to the American people than he has, by setting firm priorities for Federal spending, he will find more congressional opposition to his domestic programs than he already has had. Instead of Congress coming to grips with our domestic crisis by effective measures designed to attack the root causes of our problems, it will continue to head in the opposite direction—indiscriminate cuts in domestic programs—inclined to repress discontent rather than deal with its causes.

Mr. President, it is not insignificant that when the President spoke of civil rights so quickly that you could hardly applaud, there was not a ripple in the

Chamber, and when he spoke of law enforcement there was enormous applause. I yield to no one in my zeal for law enforcement, but a lot less of it would be necessary if you had racial justice and true racial equality in terms of opportunity in this country.

The President's state of the Union message and the budget message will inspire few of our people. Nor does the President ask for meaningful sacrifices. Yet, no war or cause can be fought without sacrifices—neither the war in Vietnam nor the fight to solve our urban problems.

The American people, in my judgment, are ready, as in the past, to meet the challenge, but they must be properly informed, and they must be led with courage. And this the administration has so far failed to do.

I would now like to state in more detail what I meant when I said previously that the war in Vietnam has resulted in first, cutbacks or postponements of essential domestic programs; second, inflation; and third, economic disruption.

First. One of the Nation's major problems is the deterioration of our hospitals, increased hospital costs, and the shortage of modern hospital facilities. Early in 1966 the President told the Congress that there is an urgent need for a 10-year, \$10 billion program for hospital modernization. There was no action on this proposal by Congress that year. In 1967 the President—despite any change in the situation—failed to follow up on his proposal by requesting funds for this purpose. This year, in his fiscal year 1969 budget there appears to be a proposal for only \$215 million for assistance in the construction and modernization of general hospital and diagnostic facilities.

The slashes made in the Federal program for construction of 4-year colleges is another excellent example of this budgetary situation. The Congress appropriated \$300 million for the current fiscal year for this Higher Education Facilities Act program; the administration cut this back one-third from the appropriated amount to \$200 million. Keeping in mind that the Federal matching contribution is one-third, a cut of \$100 million can result in trimming college construction throughout the Nation by as much as \$300 million. And for the next fiscal year, the Presidential budget just submitted allows only \$33 million—a cutback of almost nine-tenths from the amount Congress appropriated the previous year. Taking into consideration the Federal one-third matching factor, this could result in trimming new college construction for fiscal year 1969 by \$301 million—\$267 million times 3. It would be a fair question to ask whether the young people of our Nation can afford a diminution of as much as more than a billion dollars for these 2 years. Do we really mean what we say when we mourn the shortage of modern higher education facilities for those who could attend college and stress the importance of this training in our complex society? The administration must match its eloquence with its programs.

Under internal planning documents the Office of Economic Opportunity called

for a \$4 billion poverty program for fiscal year 1968, yet the President cut this back to \$2 billion in his budget request last year. Sargent Shriver himself testified last year that the war on poverty cannot be won at present expenditure levels.

As a result of the White House effort to build up manpower training programs, many crucial poverty efforts are presently being cut back; Headstart is being cut back by \$14 million below the figure needed to refund existing programs, legal services by \$6 million below that figure, and neighborhood health services by \$9 million. This is clearly robbing Peter to pay Paul. Federal expenditures on special summer programs will, it is claimed, be smaller this year than last; but who knows what problems in the cities this summer will bring?

Similar to his ambitious hospital modernization proposals of 1966, the President now calls for a 10-year program to provide 6 million housing units for low- and moderate-income families; 300,000 units in fiscal year 1969.

The President is holding out another promise which is unlikely to be fulfilled with this proposal. Since 1937 the Federal Government has built only 700,000 public housing units and FHA in its recent multifamily efforts has housed only 235,000 lower- and middle-income families. Yet a recent HUD study forecast the need for 22.5 million units of new housing and 3.5 million units of rehabilitation housing needed in the next decade.

Whether it has been the President's inability to persuade the Congress to follow his lead on these programs or the Congress own shortsightedness, the fact remains that last year he received only half of the \$662 million he sought for the model cities program for the current fiscal year and only one-fourth of the \$40 million he asked for rent supplements.

The actual determination of the President to carry out his announced plans for the cities is also cast in doubt by a statement attributed to Secretary Weaver, the day after the President's state of the Union message, that no new programs to reach this goal are being planned.

I also question whether you can call \$1.4 billion for housing and community development and \$4.6 billion for space research and technology an appropriate set of priorities for the next fiscal year in view of the grave shortage of decent housing for millions of Americans.

Second. Inflation is another side effect of high levels of spending connected with the war in Vietnam. Consumer prices have risen close to 3 percent in 1966, 3 percent in 1967—2 percent at an annual rate in the first half and 4 percent in the second half—and are again expected to exceed 3 percent this year. The danger is that should our prices rise faster than those of other industrialized countries, this would inevitably hurt our exports. Tight credit and high interest rates are expected to continue with much of this due to heavy Treasury borrowing to finance the deficit—in the absence of the requested tax surcharge—in excess of the \$20 billion in the fiscal 1968 and 1969 budgets. If the tax surcharge fails

to pass, the rise in interest rates would further increase the cost of living. Some economists estimate that at least half of the estimated 7-percent increase in the GNP this year will be due to higher prices and not to increased real production; and a 3½-percent real growth rate annually is inadequate for this country.

Third. In his new budget message, the President continues to minimize the relative cost of the war in Vietnam by stressing the fact that expenditures for the war amount to only 3 percent of our GNP in the current and the next fiscal years. A more objective analysis of the record shows a quite different picture and this was borne out clearly by the Joint Economic Committee's hearings in April 1967.

The record of the hearings shows:

The rapid rise in spending for Vietnam—\$0.1 billion in the fiscal year 1965; \$5.8 billion in fiscal year 1966; \$20.1 billion in fiscal year 1967; an estimated \$24.5 billion in fiscal year 1968; and a projected \$25.8 in fiscal year 1969—greatly increased the Government's demand for a whole range of items that are normally required for a civilian economy—such as vehicles, food, textiles and clothing. This caused temporary shortages in the civilian economy and shifting of employment and resources away from civilian production.

One witness estimated that the \$17.3 billion increase in defense spending between the first quarter of 1965 to the last quarter of 1966 accounted for a \$32 billion increase in the annual GNP and for roughly 3.2 million jobs in this additional period. At the same time, unemployment declined from 4.8 percent to less than 3.7 percent of the civilian labor force. The same witness calculated that if spending for Vietnam and the induced consumption that accompanied it were removed from the growth of GNP in this period, output of the last quarter would have been almost 4 percent below that actually recorded. Instead of a decline in unemployment, a fairly steady rise in unemployment would have occurred reaching recessionlike proportions of 7.7 percent of the labor force.

Another witness estimated the impact of a \$4 to \$6 billion increase in spending for Vietnam on the economy as follows:

This buildup would create structural problems and maybe "structural inflation" because it would increase demand in the Middle West, our industrial heartland, the more sophisticated manufacturing centers in New Jersey, New York, and New England and probably the Far West. These are the areas that are already growing very rapidly and that have relatively high wage rates in order to pull in people from other areas.

I am confident that a more detailed examination of the budget in the coming months will only underscore the evidence I have presented here.

Now, Mr. President, I sum up as follows:

There are very hard decisions to be taken: First, on what is to be done; and, second, on the priorities which are then to prevail. The President has failed to face the issue of the priority which is required for the cities domestically and the priority which is required for the prosecution of the war; nor have the peo-

ple been advised that a tax increase is essential to the carrying on of the war—for some fear, perhaps, that that would detract from support for the war.

The American people know how to face reality, and unless they do in this situation, the sacrifices and the unpleasant measures which face us will not be taken. I may not go along with Senator WILLIAMS in every item he has included in his bill; but I close, as I began, with the statement that it is very extraordinary and very indicative of the state of the country that two men like ourselves, of very great experience in this field but perhaps with differences in philosophy, should have come to substantially the same conclusions without any consultation with each other.

If one really is going to do what needs to be done for our country, sacrifices are required; and sacrifices exist in budget cutting, in priorities, in closing tax loopholes, and in a tax increase. The degree to which our figures are in accord is also quite remarkable.

I note the presence of the minority leader in the Chamber, and I wish to say something about my own party. I believe that my party, as the minority party, has an enormous contribution to make to the country at this time. What is the use of a minority party if it does not rise to the occasion when the occasion cries out for action, as this occasion does? That is what the party is there for. It is not supposed to follow the easiest and most pleasant line, but it must assume that the people have character, maturity, and understanding.

As we, of very different shades of ideology in our party—Senator WILLIAMS and I—have expressed ourselves so frankly today in these terms, whatever be the political attractiveness or unattractiveness of doing it, I hope that this may represent a base for real forcefulness on the part of my party in the Senate and in the House. I say to my leader and to Senator WILLIAMS that I would like to see our party take heart, and, taking text from what has been said in the Senate today, mature its own thinking, so that it can approach the American people with a program that is not safe, but that is right, and I believe the American people are waiting for that. This is a great service we can do for them; I believe that if we can benefit the country now, it is far superior to any superficial political advantage which might be gained from the administration falling on its face, as it is very likely to do in many fields, due to the existing situation both at home and abroad.

I express that hope to my leader. I do not look for answers this afternoon, because it is too important a question and too deep. However, from presentations such as we have made today, from such divergent points within our party, there should be a proper incentive within our party itself to mold a body of opinion and perhaps even a party position which is essential to the interests of our Nation at this particular time, in these very difficult waters in which we are sailing and with the very grave dangers which surround our country.

Mr. DIRKSEN. Mr. President, will the Senator yield?

Mr. JAVITS. I am happy to yield to the distinguished minority leader.

Mr. DIRKSEN. Mr. President, I had an opportunity to read the statement of the distinguished Senator from New York this morning, because he gave me a copy. It was my privilege also to follow very closely most of the statement made by the distinguished Senator from Delaware [Mr. WILLIAMS]. I was called away from the Chamber because of a number of engineers who were here. However, what struck me so forcefully was the identity of the approach of both the Senator from New York and the Senator from Delaware. That approach, I think, comes first from the recognition that the country is in a crisis state in many respects, and also that there is going to have to be some sacrifice. There can be no sacrifice without paying for it.

It is rather interesting that the letter "i" appears twice in the word "crisis" and that the letter "i" appears twice in the word "sacrifice." It begins with "I." That is where we are going to have to start.

We cannot expect these youngsters out in Vietnam to carry the ball for the country and not respond with a sense of restraint and sacrifice back home. That is what I like about both of these statements. I think there is enough in both of them to provide something on which we can stand and which we can refashion into a foundation for the party and also for the country. Perhaps I should reverse that order and place the country first and the party second.

I am delighted that the distinguished Senator from New York has alluded to me in this matter. I propose now to let this percolate in my mind, and I trust that others will do likewise.

I had made an entreaty at our party policy meeting yesterday in the hope that we would have had a larger attendance, but I recognize, when I listen to the number of permissions we have given to committees and subcommittees to meet during the session of the Senate today, that Senators cannot be in the committee room and here at one and the same time. They will have the advantage of being able to read both of these statements, and I trust that at a very early date we can take some action so as to establish a fundamental position.

Once more I salute a tremendously liberal Senator from New York, and one whom I could properly recognize as a very conservative, the Senator from Delaware, and how closely they see this problem and how close they come in their recognition of what the remedy must ultimately be.

I salute both of them.

Mr. JAVITS. I thank my colleague very much. I am not miffed or put out by the fact that we do not have a full Chamber.

Mr. President, ideas like this have to catch on here and they have to catch on throughout the country. Whatever other distractions there may be, should this become a serious matter of consideration for us, the minority leader knows that we will be dealing with a packed Chamber very soon. The question will then be taken and digested and an effort may be made to make it the basis for an approach worthy of the tremendous crisis in which we find ourselves.

Mr. DIRKSEN. I would add only one thought. It is not a matter of whether it may be; it must be.

Mr. WILLIAMS of Delaware. Mr. President, I, too, have been favorably impressed with the statement by the Senator from New York. We both recognize that this is somewhat of a financial crisis and one that we must deal with, even if it means some sacrifice.

The Senator commented on the fact that he as a recognized liberal and I as a conservative, can agree that prompt steps must be taken. I think that can be accounted for by the fact that this is not a conservative problem which is confronting America, nor is it a liberal problem. Likewise, it is not a problem confronting the Republican Party or the Democratic Party. This is a problem confronting all of us as American citizens, and all of us are going to have to get together, whether we be liberal or conservative, Republican or Democrat, and reach a solution.

We are all going to have to join together in Congress as Americans to solve this crisis which confronts our country. I am confident that we can get such cooperation on both sides of the aisle in initiating hearings on this proposal which will be before the Committee on Finance.

As I stated earlier, we all recognize that introducing a bill in the Senate is merely a gesture to a certain extent. However, prior to April 1, 1968, we will have a bill before the Committee on Finance dealing with the proposed extension of the excise tax. That excise tax extension proposed will be forthcoming. The proposals I make today will be germane as amendments to that bill. As I stated earlier, they will be offered for consideration by the Finance Committee, and they will be offered for the consideration of the Senate at that time.

Both Congress and the administration have a responsibility to face up to this financial crisis.

Let the American people and the world at large know what steps we are going to take. We are in a position where we can face that responsibility in the Senate during the next 8 weeks. I hope that that responsibility will be accepted by Congress not as members of either party, not as liberals or conservatives, but as Americans, because it is a problem that concerns all of America.

Mr. JAVITS. Mr. President, I am grateful to the Senator and I adopt every word that he said. I hope this discussion will elevate this entire debate—which has sounded at times quite puerile—to the level at which it should be for it concerns grave issues and the lives of not only Americans in this country but the flower of American youth who are directly involved in combat at this minute.

Mr. WILLIAMS of Delaware. Mr. President, the Senator is correct. Those men who are in Vietnam are not drafted as liberals or conservatives, or as Republicans or Democrats. They are serving there as Americans. If we can display some of the same courage in the Congress as they are displaying every day on the battlefield I have confidence that we can solve the problem. We would be

negligent if we did not face up to our responsibility.

Mr. JAVITS. I thank the Senator for his helpful comments.

Mr. THURMOND. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. THURMOND. Mr. President, I congratulate the distinguished Senator from Delaware for one of the finest addresses I have ever heard on the fiscal policies of the Federal Government.

For 31 years out of 36 years we have spent more than we have taken in at the national level.

As a Democrat who sat on the other side of the aisle, I opposed big spending and deficit financing. I have opposed spending more than we have taken in since I have been a Member of the Senate. Since I crossed to this side of the aisle, I have tried to follow the same course.

It is action that will count. It is my hope that both parties, the Democratic Party and the Republican Party, will take a sound position on fiscal policy this year.

The figures brought out by the distinguished Senator from Delaware are important. There will be a \$28.3 billion deficit without the tax increase; if the tax increase of \$12.9 billion goes through there will still be a deficit of \$15.4 billion. That in itself will be enough for the American people to demand that even though we get a tax increase, spending must be cut.

No government can continue to survive which spends more than it takes in year after year after year. As I said, that has been the case for 31 out of the past 36 years.

The Senator from Delaware is one of the best informed men in the Senate and in the Nation on fiscal questions. He is a man of unquestioned integrity and high principle. His words, I am sure, will carry great weight with the Members of this body and with the American public. It is my hope that this year some action will be taken to reduce Government spending.

I am not only concerned about big spending, which is dangerous in itself to the safety of our country, but I am also concerned about it because big spending has brought greater Federal control to States and greater regimentation of the lives of our people. Every time we enter a new program it gives the Government more power over the lives of the people and shifts power from the State level to the national level. We can accomplish a double purpose here this year if we can reduce spending.

No time is better to cut spending than this year, with the war in Vietnam going on at this moment, and with the free world being threatened by Communist aggression. We need to conserve our resources if we are to remain strong militarily. That takes billions of dollars. We must remain strong economically, as well as spiritually, if we are going to remain a free nation in the world today.

Again, I congratulate the able Senator from Delaware for his magnificent speech and wish to tell him that I think he has rendered a great service to the American people.

I also want to commend the distinguished and able Senator from New

York [Mr. JAVITS] for concurring with the Senator from Delaware that we must cut spending. I did not get to hear all of his remarks, but it pleases me to hear a Senator who is considered by many to be liberal in his views take the position that we must cut spending. It is a very important step that the Senator has taken. His remarks are most important. I am sure that what he has said will bear great weight and have tremendous influence with a large segment of the American public.

It is a pleasure for me to commend both the Senator from Delaware and the Senator from New York on the positions they have taken on this fiscal question.

Mr. JAVITS. I thank my colleague from South Carolina.

Mr. WILLIAMS of Delaware. I thank the Senator from South Carolina.

Mr. JAVITS. Mr. President, to conclude debate, let me say that no one knows better than I—and we have some indication of it already—that on the problems which we will face, and the various differences as to who shall bear the burden of increased taxation, and by how much, or what the priorities should be, or what should be cut or what should be increased, we will find a common ground somewhere, or we will disagree and vote it out—whichever way it comes; but the fundamental principles are deeply established. The Senator from Delaware [Mr. WILLIAMS] and I thoroughly agree on that. We have to face the realism of the war in Vietnam because that is what is causing our problems. It is a war. Therefore, it calls for sacrifices, for financial and fiscal monetary restraints dealing in a way which otherwise would not ordinarily be dealt with in international financial problems, increasing the tax burden, risking our priorities to meet our prime emergencies, or deferring what can be deferred more readily.

I have made some suggestions as to that, as has the able Senator from Delaware, dealing with some of the long-standing needs for tax reforms at a time when they can do us the most good. That is the way to keep the ship of state in the condition in which it must be kept.

For myself, this has been a most significant afternoon. I think it will have an important influence upon events and will begin to give a feeling to and an understanding by the American people that we know what to do, that we have made a beginning, that it will be built up, and that there is real purpose to do it here in the Senate.

Mr. President, I yield the floor.

ORDER OF BUSINESS

Mr. BYRD of West Virginia. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

INTERFERENCE WITH CIVIL RIGHTS

The Senate resumed the consideration of the bill (H.R. 2516) to prescribe penalties for certain acts of violence or intimidation, and for other purposes.

Mr. HILL. Mr. President, I wish to address myself to the pending bill, H.R. 2516.

Mr. President, some 70 years before the birth of Christ, a young and unheralded lawyer rose in the Roman Forum to warn:

Though liberty is established by law, we must be vigilant, for liberty to enslave us is always present under that very liberty.

These were the words of Marcus Tullius Cicero in his second oration before the Roman Senate. They were then the words of a young, inexperienced lawyer, but they were to one day become coveted in history as the wise and learned sayings of a distinguished philosopher and jurist.

Cicero was concerned that the people of Rome, along with their ambitious political leaders, had grown contemptuous of the established Constitution. He feared that too much authority was centralized in the government and especially in the hands of the ambitious politicians of the day. He worried about the growing disrespect for Roman law and ordinances, and at another point in his second oration before the Roman Senate, charged:

He who is not for Rome and Roman law is against Rome.

Cicero was concerned and worried because he thought he saw in the complacency of the Roman people, in the disrespect for the law and ordinances, in the disregard by the Roman leaders for the established constitution, in the growing centralization of power in the government and authority in the hands of the politicians of the day, the gradual disintegration of the wealthiest and most powerful empire in the world.

Cicero dared speak out. The people would not listen. The politicians tired of his voice and warnings, which they feared could become a threat to their persuasion over the people. Proceedings were brought in the senate to banish Cicero from Rome, and the last time he appeared before that august body was in his own behalf. On that occasion Caesar, Pompey, and Brutus were there, and with others turned a deaf ear to Cicero's pleas on his own behalf and to his further pleas and warnings on behalf of the Roman Empire.

Later, as Rome continued to decay from within, Brutus called upon Cicero in exile in search of his advice and help. Brutus said that the Roman Republic was deteriorating and that Caesar was worried about collapse from within or conquest from without. Cicero replied that decadence had set in too far and too deep, that the very foundations of the Republic had been so weakened that they could no longer support the Empire, and that it was too late to save once mighty Rome. As we know, the Roman Empire eventually fell.

Yes, it fell, not to enemies from without, not to any attacks by any vandals

from without; it fell from degeneration and deterioration within.

Mr. President, some 18 centuries after Cicero's orations before the Roman Senate, a small group of colonists whose forebears—and some of them for that matter—had fled the tyranny of their motherland, gathered together to hammer out a blueprint for bringing a new nation into being. This blueprint was to become a written constitution, an established constitution as Cicero referred to it in his day.

Those who gathered to write this constitution knew that history had a way of repeating itself. As such, they were ever mindful of Cicero's warning:

Though liberty is established by law, we must be vigilant, for liberty to enslave us is always present under that very liberty.

They knew the dangers of centralized authority in the hands of a few.

Is it any wonder, then, that when this constitution was being considered for adoption, Patrick Henry told the people:

Be extremely cautious, watchful, jealous of your liberty. Instead of securing your rights, you may lose them forever.

Distrusting a central government, he said:

There will be no checks, no real balances in this government. . . . This government will destroy the state government and swallow the liberties of the people.

Is it any wonder, then, that George Mason, author of the Virginia Bill of Rights, who refused to sign the Constitution, warned that a centralized, consolidated government "is totally subversive of every principle which has hitherto governed us."

Is it any wonder then, that the wise old Ben Franklin, anticipating a people negligent in preserving their rights, was prompted to predict that our new government would be well administered for a few years, but that it "can only end in despotism."

Is it any wonder that some years later Lord Macaulay, the English historian, after a careful study of our Government in general and our Constitution in particular, warned the American people:

Your Constitution is all sail and no anchor. Either Caesar or Napoleon will seize the reins of government with a strong hand, or your Republic will be as fearfully plundered and laid waste by the barbarians in the twentieth century as the Roman Empire was in the fifth—with this difference, that the Huns and Vandals who ravaged the Roman Empire came from without, and your Huns and Vandals will have been engendered within your own country by your own institutions.

Cicero warned that too much government authority was being centralized in the hands of a few, and those who knew their history warned of the consequences. And yet, Mr. President, we are being asked, in the name of preventing an interference with one's so-called civil rights, to place additional unwarranted, unnecessary and unconstitutional authority in the hands of the Attorney General and the Justice Department of the Federal Government by taking away from the individual States police powers reserved to them by the established Constitution. The bill before us is predicated

on the theory that State officials do not have the character or the intelligence to enforce the laws as they now exist. Because of this distrust of State officials and the individual State's ability, the proponents of the bill before us suggest a new law which centralizes the authority in the Federal Government and further subjugates the role of the individual State in the field of law enforcement.

Cicero warned that the people of Rome and their political leaders had grown contemptuous of the established Constitution. The bill before us bears out the apprehensions of Patrick Henry, George Mason, and Ben Franklin. It violates the established Constitution by going far beyond the 14th amendment and, at the same time, limiting itself to a certain class of persons. H.R. 2516 would make it a crime for any person "whether or not acting under color of law, by force or threat of force—knowingly injures, intimidates, or interferes with, or attempts to injure, intimidate, or interfere with any person because of his race, color, religion, or national origin and because he is or has been engaging or seeking to engage, lawfully, in—"certain activities as enumerated in the bill. The proponents of the bill claim that Congress has the power to protect these activities from interference, private or public, under section 5 of the 14th amendment, the so-called equal protection clause. That section, in part, reads that "no State shall deny to any person within its jurisdiction the equal protection of the laws." The section further grants power to Congress to enforce "by appropriate legislation the provisions of this article." The only right which is guaranteed by the language and interpretation of the section and of the amendment is the right to be protected against State denial of equal protection of the laws. The section has nothing whatever to do with any private acts of activities and cannot apply to any activity conditioned by the language "whether or not acting under color of law" as contained in H.R. 2516. This has been the interpretation from the very beginning and remains so today.

In the first court case defining the powers of Congress and its powers to legislate under section 5, the case of *United States v. Cruikshank*, 92 U.S. 542, an 1875 case, the Supreme Court said this:

The 14th Amendment prohibits a state from denying to any person within its jurisdiction the equal protection of the laws; but this provision does not, any more than the one which precedes it, and which we have just considered, add anything to the rights which one citizen has under the Constitution against another. (italics added) The equality of the rights of citizens is a principle of republicanism. Every republican government is in duty bound to protect all its citizens in the enjoyment of this principle, if within its power. That duty was originally assumed by the states; and it still remains there. The only obligation resting upon the United States is to see that the states do not deny the right. This, the amendment guarantees, but no more. The power of the national government is limited to the enforcement of this guaranty.

In the case of *United States v. Guest*, 383 U.S. 745, Mr. Justice Stewart, in support of the Court's decision, had this to say on the subject:

The first section of the Fourteenth Amendment (which is the one relied on), after declaring who shall be citizens of the United States, and of the several States, is prohibitory in its character, and prohibitory upon the States. It declares that:

"No State shall make or enforce any law which shall abridge the privileges or immunities of citizens of the United States; nor shall any State deprive any person of life, liberty, or property without due process of law; nor deny to any person within its jurisdiction the equal protection of the laws."

It is State action of a particular character that is prohibited. Individual invasion of individual rights is not the subject matter of the amendment. It has a deeper and broader scope. It nullifies and makes void all State legislation, and State action of every kind, which impairs the privileges and immunities of citizens of the United States, or which injures them in life, liberty, or property without due process of law, or which denies to any of them the equal protection of the laws.

It not only does this, but, in order that the national will, thus declared, may not be a mere brutum fulmen, the last section of the amendment vests Congress with the power to enforce it by appropriate legislation. To enforce what? To enforce the prohibition, to adopt appropriate legislation for correcting the effects of such prohibited State laws and State acts, and thus to render them effectually null, void and innocuous.

This is the legislative power conferred upon Congress, and this is the whole of it. It does not invest the Congress with the power to legislate upon subjects which are within the domain of State legislation, but to provide modes of relief against State legislation or State action of the kind referred to. It does not authorize Congress to create a code of municipal law for the regulation of private rights; but to provide modes of redress against the operation of State laws and the action of State officers, executive or judicial, when these are subversive of the fundamental rights specified in the amendment.

Positive rights and privileges are undoubtedly secured by the Fourteenth Amendment, but they are secured by way of prohibition against State laws and State proceedings affecting those rights and privileges, and by power given to Congress to legislate for the purpose of carrying such prohibition into effect; and such legislation must necessarily be predicated upon such supposed State laws or State proceedings, and be directed to the correction, of their operation and effect.

It is commonplace that rights under the Equal Protection Clause itself arise only where there has been an involvement of the State or of one acting under the color of its authority. The Equal Protection Clause "does not . . . add anything to the rights which one citizen has under the Constitution against another." As Mr. Justice Douglas more recently put it, "The Fourteenth Amendment protects the individual against State action, not against wrongs done by individuals." This has been the view of the Court from the beginning. It remains the Court's view today.

Mr. President, note that Mr. Justice Stewart makes it clear that the individual invasion of individual rights is not the subject of the amendment and that the legislative power conferred upon Congress under the amendment is "to enforce the prohibition, to adopt appropriate legislation for correcting the effects of such prohibited State laws and State acts, and thus to render them effectually null, void, and innocuous." Mr. Justice Stewart makes it clear that the amend-

ment "does not authorize Congress to create a code of municipal law for the regulation of private rights."

And, if any doubt remained, the Supreme Court said in *Corrigan v. Buckley*, 271 U.S. 323, a 1926 case, that:

The prohibitions of the Fourteenth Amendment "have reference to State action exclusively, and not to any action of private individuals." *Virginia v. Rives*, 100 U.S. 313, 318; *United States v. Harris*, 106 U.S. 629, 639. "It is State action of a particular character that is prohibited. Individual invasion of individual rights is not the subject matter of the amendment." *Civil Rights Cases*, 109 U.S. 3, 11.

Mr. ERVIN. Mr. President, will the Senator yield?

Mr. HILL. I yield.

Mr. ERVIN. Mr. President, in the recent case of *Cooper v. Aaron*, 358 U.S., the Court held:

The command of the Fourteenth Amendment that no "State" shall deny to any person within its jurisdiction the equal protection of the laws means that no agency of the state, or of the officers or agents by whom its powers are exerted, shall deny to any person within its jurisdiction the equal protection of the laws; a state acts by its legislative, its executive, or its judicial authorities and is unable to act in any other way.

Does not the Senator from Alabama agree with the Senator from North Carolina that that is a correct statement of the only method by which a State can take action under the 14th amendment?

Mr. HILL. I agree wholeheartedly with the Senator. All court decisions confirm exactly what the Senator has read here. And that is the correct position. The Senator is absolutely correct.

Mr. ERVIN. Does not the administration bill proceed on the theory that when individuals violate State laws, they are acting as agents of the State?

Mr. HILL. The bill proceeds on that theory, but there is no justification for that theory.

Mr. ERVIN. Is that theory not absolutely inconsistent with the language contained in the 14th amendment?

Mr. HILL. It is indeed.

Mr. ERVIN. And is it not also inconsistent with every decision on the subject so far as the Senator from Alabama knows or has read?

Mr. HILL. It is indeed.

Mr. ERVIN. I will ask the Senator from Alabama if he knows of any words in any opinion which undertook to say that one could reach the action of individuals prior to the so-called concurring opinion in the *Guest* case.

Mr. HILL. I know of none.

Mr. ERVIN. The majority opinion in the *Guest* case, as noted by the Senator from Alabama, makes it clear that the 14th amendment is addressed only to action by States of free jurisdiction, action such as denial of the due process of law or denial of the equal protection of the laws or the denial of citizenship. However, the pending bill attempts for the first time in the history of this Nation to apply the 14th amendment to the action of individuals despite the fact that it is absolutely inconsistent with the words of the 14th amendment and inconsistent with every judicial decision construing those words.

Mr. HILL. The Senator is exactly correct.

In the case of *Corrigan v. Buckley* (271 U.S. 323), a 1926 case, the Court said:

The prohibitions of the Fourteenth Amendment have reference to State action exclusively, and not to any action of private individuals.

The Court cited the case of *Virginia v. Rives* (100 U.S. 313, 318), and *United States v. Harris* (106 U.S. 629, 639), and said further:

It is State action of a particular character that is prohibited. Individual invasion of individual rights is not the subject matter of the amendment.

Mr. ERVIN. I ask the Senator from Alabama if this is not a correct interpretation of the uniform holding of the courts since the 14th amendment allegedly became a part of the Constitution:

Until some state law has been passed or some state action through its officers or agents has been taken, adverse to the rights of citizens sought to be protected by the 14th Amendment, no legislation of the United States under said Amendment, nor any proceeding under such legislation, can be called into activity: for the prohibitions of the Amendment are against state laws and acts done under state authority.

Mr. HILL. The Senator is correct.

Mr. ERVIN. Yet, the pending bill undertakes to take these crimes of violence and make them Federal offenses, even though they are committed by individuals and no State action whatever is involved.

Mr. HILL. The Senator is correct.

Mr. ERVIN. Mr. President, may I ask the Senator from Alabama if the due-process clause of the 14th amendment does not have a possible or alleged application every time a State law or any State action applies to or affects any individual citizen of a State or a person within the jurisdiction of that State.

Mr. HILL. The Senator is correct.

Mr. ERVIN. I say that preliminary to this question: If the theory on which the pending bill rests, that Congress can adopt affirmative legislation in matters affected by the equal protection of the laws clause, does that not mean the destruction of the Federal system which the Constitution establishes?

Mr. HILL. It does indeed. Then the Federal Government would take over all law—State, municipal, and all laws.

Mr. ERVIN. The Federal Government would have authority to ask Congress to destroy absolutely all local government in this Nation and substitute for it a centralized government in Washington.

Mr. HILL. The Senator is correct. We would do away with all of the State legislatures, municipal governments, and other governments, and centralize all governments here in Washington, as the Senator stated.

Mr. ERVIN. Was not the equal protection of the laws clause placed in the 14th amendment to prohibit the States, among other things, from adopting legislation which would apply to some citizens and not apply to other citizens in like circumstances?

Mr. HILL. The Senator is correct. And yet the pending measure would apply

only to certain citizens and not to all citizens.

Mr. ERVIN. The Senator is correct. The equal protection of the laws clause prohibits a State from adopting any legislation or taking any action which is not applied or taken in like manner to any and all citizens.

Mr. HILL. The Senator is correct.

Mr. ERVIN. Under this bill, if a Presbyterian murdered a Mohammedan on account of the Mohammedan's religion, he would be committing a Federal crime, would he not?

Mr. HILL. The Senator is correct.

Mr. ERVIN. But if a Presbyterian killed 100,000 Mohammedans on account of something other than their religion or their race or their national origin, he would not come under this bill at all?

Mr. HILL. No; he would not come under the provisions of the pending bill.

Mr. ERVIN. In short, this bill makes criminality depend not upon the nature or quality of the act committed but upon the race or the national origin or the religion of either the victim of the alleged violence or the person perpetrating the violence.

Mr. HILL. The Senator is correct. It would be special legislation.

Mr. ERVIN. And it is based upon the theory—to be frank about it—that the Federal Government should offer protection to people of one race which it is unwilling to grant to people of all races.

Mr. HILL. The Senator is correct. That is a concept absolutely contrary to the fundamentals of the Constitution of the United States, as James Madison and the Founding Fathers wrote the Constitution. It is entirely contrary to the concept of our Constitution.

Mr. ERVIN. I should like to ask the Senator from Alabama if he agrees with me in the conviction that any just law is a law which applies in equal manner to all people in like circumstances, regardless of their race, regardless of their creed, regardless of their national origin?

Mr. HILL. The Senator is correct.

Mr. ERVIN. And this bill is totally inconsistent with that fundamental principle on which all just laws rest.

Mr. HILL. And on which our Constitution was written, on which our Government has rested. This bill is entirely contrary to and inconsistent with that principle.

I should like to quote from Chief Justice Vinson in another case. I had the honor, the pleasure, and the privilege of serving on the House Committee on Military Affairs with the late Chief Justice Fred M. Vinson, when he was a Member of the House. I know how able and devoted he was, what a dedicated public servant he was. I am privileged to be able to quote from his decision in the case of *Shelley v. Kramer* (334 U.S. 1). In that case, the Supreme Court held that State courts could not enforce racially restrictive covenants because to do so would be State action forbidden by the 14th amendment. Chief Justice Vinson wrote the decision for the Court, and I quote from it:

Since the decision of this Court in the *Civil Rights Cases* 109 U.S. 3 (1883), the principle has become firmly embedded in our constitutional law that the action inhibited by the first section of the Fourteenth

Amendment is only such action as may fairly be said to be that of the States. That Amendment erects no shield against merely private conduct, however discriminatory or wrongful.

We conclude, therefore, that the restrictive agreements standing alone cannot be regarded as violative of any rights guaranteed to petitioners by the Fourteenth Amendment. So long as the purposes of these agreements are effectuated by voluntary adherence to their terms, it would appear clear that there has been no action by the State and the provisions of the Amendment have not been violated.

Chief Justice Vinson consistently upheld the previous interpretations of the amendment when he very emphatically stated:

That amendment erects no shield against merely private conduct, however discriminatory or wrongful.

In *Garner against Louisiana*, a 1961 case, Mr. Justice Douglas, in commenting on State action under the 14th amendment, had this to say:

It is, of course, State action that is prohibited by the Fourteenth Amendment, not the actions of individuals. So far as the Fourteenth Amendment is concerned, individuals can be as prejudiced and intolerant as they like. They may as a consequence subject themselves to suit for assault, battery, or trespass, but those actions have no footing in the Federal Constitution. The line of forbidden conduct marked by the Equal Protection Clause of the Fourteenth Amendment is crossed only when a State makes prejudice or intolerance its policy and enforces it, as held in the *Civil Rights Cases*, 109 U.S. 3.

Mr. Justice Bradley, speaking for the Court, said: "... civil rights, such as are guaranteed by the Constitution against State aggression cannot be impaired by the wrongful act of individuals, unsupported by State authority in the shape of laws, customs, or judicial or executive proceedings."

Mr. ERVIN. I ask the Senator from Alabama if it is not a legal as well as a linguistic impossibility for a private individual to deny any person due process of law.

Mr. HILL. The Senator is correct.

Mr. ERVIN. The only way in which due process of law can be denied is by a legislative act.

Mr. HILL. That is correct.

Mr. ERVIN. Or by a judicial proceeding.

Mr. HILL. The Senator is correct. And the legislative act would be State action. It would not be individual action. The judicial proceeding would be under the power granted to a judge by the State. Am I correct?

Mr. ERVIN. The Senator is correct.

I ask the Senator if it is not his interpretation that this bill offers protection to members of certain races, colors, religions, or national origins.

Mr. HILL. It does.

Mr. ERVIN. And does he not agree with the Senator from North Carolina in this part of the minority views:

The proponents candidly state that they do not propose to guarantee to all Americans protection from violent interference with their right to vote, to pursue their employment, or to travel. Indeed, this was one of the reasons they rejected the subcommittee's alternative.

Mr. HILL. The Senator is correct. What is said there applies exactly to this

bill, as it is proposed and presented, in its language, and explained by its proponents.

Mr. ERVIN. Does not the Senator from Alabama agree with the Senator from North Carolina that it is very unwise to depart from the long established practice, which has prevailed in this country since its foundation, that the prosecution and punishment of crimes of violence should be left to the States?

Mr. HILL. I agree completely that that should be done by the States.

Mr. ERVIN. I ask the Senator from Alabama if he does not agree with the Senator from North Carolina that if Congress is to depart from that long established and wise principle, we should depart from it by a law which recognizes that the Government owes equal protection to all its citizens and not specially selected classes.

Mr. HILL. All people, not certain individuals.

Mr. ERVIN. As a matter of fact, this bill would promote inequality rather than equality before the law, does it not?

Mr. HILL. It would, indeed.

Mr. ERVIN. It would afford protection to some people and deny it to others.

Mr. HILL. It would grant special privilege to some and would deny the same rights to others.

Mr. ERVIN. And it would do that in an effort to promote equality.

Mr. HILL. The Senator is correct.

Mr. ERVIN. So it would promote equality by the strange method of giving special protection to some people and denying the same protection to all other citizens.

Mr. HILL. The Senator is correct.

Mr. ERVIN. So it is a bill which practices a gross discrimination in the name of an effort to abolish discrimination.

Mr. HILL. The Senator is correct. As the Senator says, it practices discrimination under the claim of abolishing discrimination.

Mr. ERVIN. Is the Senator from Alabama familiar with the terms of the amendment I have offered, which is now pending before the Senate?

Mr. HILL. I am familiar with the amendment.

Mr. ERVIN. Mr. President, I would like to ask the Senator from Alabama if he does not agree with the minority of the Committee on the Judiciary who would dispense with this outrageous and self-defeating limitation in the administration bill?

Mr. HILL. I thoroughly agree. As the Senator from North Carolina, the Senator from Florida [Mr. SMATHERS], the distinguished minority leader [Mr. DIRKSEN], and the Senator from Georgia [Mr. RUSSELL] declared:

The substitute treats all citizens equally before the law.

That is what the Senator proposes. The Senator proposes that all citizens be treated equally. If there is anything that is fundamental to our American system of government, and fundamental in the thoughts and minds of the writers of the Constitution, and those who through the years have defended that Constitution, it has been that proposition that there should be equal protection for all citizens and not just special

privileges for some and denial to others. Is that correct?

Mr. ERVIN. The Senator from Alabama is correct, and that is the thing which condemns the administration bill.

The administration evidently wants to convince certain groups of our citizens that it is willing to give them protection by Federal criminal statutes which it is not willing to give the great majority of our citizens.

Mr. HILL. The Senator is correct. That is clear from a reading of the bill. The bill speaks for itself. The situation is as the Senator has declared it to be.

Mr. President, as we have seen for nearly 100 years, the interpretation of the meaning of the 14th amendment has been consistent that a State action must be involved rather than a private action in connection with any denial of equal protection.

There is no doubt that the words of the 14th amendment and the uniform interpretation of it by the courts from the very beginning make it clear that only State action denying equal protection of the laws is prohibited by the 14th amendment.

Mr. President, in recent years, we have witnessed the clamor for more and more so-called civil rights legislation. The emotion of the day has carried this demand and its results far beyond the letter of the law. It has not only violated the spirit of the Constitution, but, in part, has defeated the established law itself. Cicero warned that—

Though liberty is established by law, we must be vigilant, for liberty to enslave us is always present under that very liberty.

We are now asked to enact additional so-called civil rights legislation under the guise of "interference with civil rights." This is merely another mechanism to further infringe on the rights of the people and prerogatives of the individual States.

As the distinguished Senator from North Carolina brought out, to those who would propose further legislation in the form of the bill before us for political expediency or whatever reasons they may have, let me say that if they are sincere in enforcing the civil rights of any or all groups in America, adequate laws are on the statute books and have been for some 100 years.

(At this point, Mr. KENNEDY of Massachusetts assumed the chair.)

Mr. ERVIN. Mr. President, will the Senator yield at that point?

Mr. HILL. I yield.

Mr. ERVIN. Mr. President, I agree with the Senator with the exception of one group of citizens, the oldest Americans found upon our continent, the reservation Indians. It has been held by courts that the reservation Indians have no constitutional rights.

When the Senator from North Carolina offered an amendment before the Committee on the Judiciary to give constitutional rights to the American Indians, the proponents of this bill unanimously voted against giving constitutional and civil rights to reservation Indians.

Is that not a paradox?

Mr. HILL. It is, indeed. It surely is.

Mr. ERVIN. It provoked me to exclaim

that the proponents of this bill evidently favor civil rights for black people but they oppose them for red people.

Mr. HILL. And the red people were here before the white people or the black people arrived here. In order to be fair, I think one would have to say that the white folks took the land away from the red people.

Mr. ERVIN. And without due process of law.

Mr. HILL. Without due process of law.

Mr. ERVIN. And they did not give them equal protection laws.

Mr. HILL. The Senator is correct.

Mr. ERVIN. And they are still denying them equal protection laws and they are still denying them due process laws.

Mr. HILL. The Senator is correct.

Mr. ERVIN. And they were denied in the committee by the votes of those who profess to believe in constitutional rights for all people except red men.

Mr. HILL. The Senator from North Carolina was seeking to protect the rights of all men, whether they be red, black, white, yellow, or whatever they may be. Is that correct?

Mr. ERVIN. The Senator is correct, and to give constitutional rights to the only group of Americans who do not have them; namely, reservation Indians.

Mr. HILL. They were the folks who really owned most of the land before the rest of us got here. Is that correct?

Mr. ERVIN. The Senator is correct.

Mr. HILL. Mr. President, to illustrate what we have been talking about, section 1971 of title 42, which is derived from the act of May 31, 1870, provides that all persons otherwise qualified by law must be allowed to vote, without distinction as to race or color, in all elections whether State or Federal. That is in subsection (a).

In 1957, subsection (b) was added. That section makes it unlawful to attempt to or to intimidate, threaten, or coerce any other person for the purpose of interfering with his right to vote for Federal candidates in all elections.

Also in 1957, subsections (c), (d), (e), and (f) were added. Subsection (c) provides that when any person has engaged or there are reasonable grounds to believe that he is about to engage in any practice which would deprive any other person of any privilege accorded to him by subsections (a) and (b), the Attorney General of the United States is authorized to institute action for preventive relief in the name of the United States. The State involved may be joined as a defendant. Subsection (d) provides that it is not necessary for the party aggrieved to exhaust any administrative remedy provided by law. Subsection (e) says that in any such action the court has the right to declare that the complaining party is entitled to vote. Any election official refusing to obey such an order is declared in contempt, thereby losing, as I have demonstrated, his right to jury trial if the United States is a party and his right to the limitation of punishment otherwise provided by statute. Under this subsection, the court may appoint voting referees to determine *ex parte*, the qualifications of would-be voters and report to the court.

Subsection (f) contains provisions governing contempt proceedings.

As a further encroachment on the rights of the States, the Congress in 1960 added section 1974 of title 42 of the code. That section requires all election officials to keep records on Federal elections regarding applications, registrations, payment of poll taxes, or other acts requisite to voting for a period of 22 months. Any official who destroys such records is subject to a fine of \$1,000 and imprisonment for a period of 1 year, or both. All the records so kept are subject to inspection on demand of the Attorney General. The district courts of the United States are given authority to compel the production of such papers.

Section 1975 of title 42, sections (a) through (e) provides for the creation and duties of a Civil Rights Commission at Government expense.

Section 1981 of title 42, United States Code, which is derived from the act of May 31, 1870, reads as follows:

All persons within the jurisdiction of the United States shall have the same right in every State and Territory to make and enforce contracts, to sue, be parties, give evidence, and to the full and equal benefit of all laws and proceedings for the security of persons and property as is enjoyed by white citizens, and shall be subject to like punishment, pains, penalties, taxes, licenses, and exactions of every kind, and to no other.

The Senator will notice here that Indians were supposed to be included, and yet they refused to include Indians. Is that correct, sir?

Mr. ERVIN. Refused by a vote of 8 to 7. The Senator from Alabama just read a part of the original so-called Civil Rights Act, did he not?

Mr. HILL. That is correct.

Mr. ERVIN. That provides for equality of all men, regardless of race, does it not?

Mr. HILL. That is right. That was the original act of May 31, 1870.

Mr. ERVIN. That is about the only law we need on the subject, is it not?

Mr. HILL. It would seem to cover everything.

Mr. ERVIN. I invite the attention of the Senator from Alabama to the words of Mr. Justice Bradley in the civil rights cases, 109 U.S. 3, page 25, October 25, 1883, which states:

When a man has emerged from slavery, and by the aid of beneficent legislation has shaken off the inseparable concomitants of that state, there must be some stage in the progress of his elevation when he takes the rank of a mere citizen, and ceases to be the special favorite of the laws, and when his rights as a citizen, or a man, are to be protected in the ordinary modes by which other men's rights are protected.

In effect, that is a statement that all men are equal before the law, that no group of men, no race of men, should demand special laws for their exclusive benefit; is that not correct?

Mr. HILL. That is right.

Mr. ERVIN. Is not the pending bill absolutely inconsistent with that statement of Mr. Justice Bradley?

Mr. HILL. It flies in the teeth of that declaration.

Mr. ERVIN. The pending bill would undertake to make special laws for spe-

cial groups of citizens and to provide that, instead of having their rights protected by certain modes by which other men's rights are protected, they will have special and extraordinary laws for their benefit which other citizens will be denied having the same benefits; is that not correct?

Mr. HILL. The Senator is correct.

Mr. President, section 1982 of title 42, which is derived from the act of April 9, 1866, reads as follows:

All citizens of the United States shall have the same right, in every State and Territory, as is enjoyed by white citizens thereof to inherit, purchase, lease, sell, hold, and convey real and personal property.

All citizens—no matter whether white, black, red, or yellow, or what their color might be.

Section 1983 of title 42, which is derived from the act of April 20, 1871, reads as follows:

Every person who, under color of any statute, ordinance, regulation, custom, or usage, of any State or Territory, subjects, or causes to be subjected, any citizen of the United States or other person within the jurisdiction thereof to the deprivation of any rights, privileges, or immunities secured by the Constitution and laws, shall be liable to the party injured in an action at law, suit in equity, or other proper proceedings for redress.

It is not like the pending bill. It covers everyone no matter what their color or who they might be. Is that not correct, I ask the Senator from North Carolina?

Mr. ERVIN. It is.

Mr. HILL. Mr. President, subsections (2) and (3) of section 1985 of title 42, which are derived from the acts of July 13, 1861, and April 20, 1871, provide for damage suits against two or more persons who conspire to deprive any person of a long list of constitutional rights. The action may be brought against any one or more of the conspirators.

Section 1986 of title 42, which is derived from the act of April 20, 1871, subjects any person having knowledge of such a conspiracy to the same liability as the conspirators if he has power to prevent or aid in the preventing of the carrying out of the object of the conspiracy and neglects or refuses to do so.

Section 241 of title 18, which is derived from the act of May 31, 1870, provides for a fine of \$5,000 or imprisonment for 10 years, or both, if two or more persons conspire to injure, oppress, threaten, or intimidate any citizen in the free exercise and enjoyment of any right or privilege secured to him by the Constitution and laws of the United States, or if two or more persons go in disguise on the highway, or on the premises of another, with the intent to prevent or hinder his free exercise or enjoyment of any right or privilege so secured.

Section 242 of title 18 provides that whoever, under color of any law, statute, ordinance, regulation, or custom, willfully subjects any inhabitant of any State, territory, or district to the deprivation of any rights, privileges, or immunities secured or protected by the Constitution or laws of the United States by reason of his color or race, shall be fined not more than \$1,000 or imprisoned not more than 1 year, or both.

Section 1987 of title 42, which is derived from the acts of April 9, 1866, and May 31, 1870, provides that the U.S. attorneys, marshals, and deputy marshals, the commissioners appointed by the district and territorial courts, with power to arrest, imprison, or bail offenders, and every other officer who is especially empowered by the President, are authorized and required, at the expense of the United States, to institute prosecutions against all persons violating any of the provisions of sections 241 and 242 of title 18 and to cause such persons to be arrested, and imprisoned or bailed, for trial before the court of the United States having cognizance of the offense.

Section 1992 of title 42, which is derived from the acts of April 9, 1866, and May 31, 1870, provides that whenever the President has reason to believe that offenses have been or are likely to be committed against the provisions of sections 241 and 242 of title 18, within any judicial district, it shall be lawful for him, in his discretion, to direct the judge, marshal, and U.S. attorney of such district to attend at any place within the district, and for such time as he may designate, for the purpose of the more speedy arrest and trial of persons so charged, and it shall be the duty of every judge or other officer, when any such requisition is received by him, to attend at the place and for the time designated.

Now, except for the statutes I have indicated which were passed for the special benefit of the Negro citizen in 1857 and 1860, all of these laws were on the books during the days of so-called reconstruction in the South. No laws for the special benefit of one class of citizen, such as these, can be found in the historical jurisprudence of any nation on the face of the earth.

On April 17, 1879, Senator Daniel W. Voorhees, of Indiana, delivered a denunciation of these laws on the floor of this Senate. He did so out of his deep concern for the established Constitution and for the survival of this Nation. He, too, warned of the dangers of concentrating too much power in the Federal Government. In fact, he went so far as to say that "the complete withdrawal of all powers from the people and the States and their centralization in the executive department" which is his way of thinking was resulting from the Reconstruction Acts recently passed, was "the logical conclusion of a well-wrought plan, perfect in all its details, for a revolution and ultimate monarchy." I cannot improve upon Senator Voorhees' imperishable words and I quote them in part:

A centralization of power in the hands of the federal government over the local rights of the people and the states has been consummated which would have startled Alexander Hamilton in his day, although he believed in a monarchy.

That is what Senator Voorhees thought of these acts—and he was from Indiana, north of the Mason and Dixon line.

Mr. ERVIN. I would like to ask the Senator from Alabama if these so-called civil rights bills and acts that have been before the Senate in recent years have not done one or the other of these

things: They have centralized here in the Federal Government powers which can only be wisely exercised at the local level; have they not?

Mr. HILL. That is certainly correct. That is exactly what they have done.

Mr. ERVIN. In many cases, have they not taken away from all American citizens rights far more precious than those which they have attempted to confer upon one segment of our society?

Mr. HILL. That is correct. That has been the exact result of these acts.

Mr. ERVIN. I will ask the Senator if many of them have not taken away from individuals rights which have always belonged to individuals, and which individuals ought to be permitted to exercise if freedom is to be preserved, and placed the supervision of those rights in the hands of bureaucrats here in the city of Washington?

Mr. HILL. That is correct; building up more and more power in the hands of bureaucrats in Washington.

Mr. ERVIN. I ask the Senator from Alabama if in many cases, instead of giving rights to people for whom these bills allegedly were passed, they merely augmented the power of officials in the government who are not elected by the people and who are not responsible to the people.

Mr. HILL. That is correct. These bureaucrats are not elected by the people or responsible to the people. Yet these acts just build up more and more power in the hands of the bureaucrats.

Mr. ERVIN. Does not the Senator from North Carolina recall that the very wise English philosopher, Hobbes, declared that freedom is government divided into small fragments?

Mr. HILL. He did, indeed; and nothing more nearly conveyed the thinking of Thomas Jefferson than the thought just expressed by the distinguished Senator from North Carolina.

Mr. ERVIN. I would like to ask the Senator from Alabama if those who drafted our Constitution did not have Thomas Hobbes' aphorism in mind when they gave certain powers to the Federal Government and reserved all other governmental powers to the States.

Mr. HILL. That is correct. That is certainly right. They were very careful to give only certain powers to the Federal Government and reserve all other powers to the States.

Mr. ERVIN. Does not the Senator from Alabama recall that a great Democratic President, Woodrow Wilson, who perhaps understood more about government than any man who ever lived in the White House, stated that the centralization of governmental powers has always preceded the destruction of human liberties?

Mr. HILL. That is right. He made that very declaration.

Mr. ERVIN. I will ask the Senator from Alabama if he has not observed that as a result of the passage of these laws to make certain segments of our society special favorites of the law, or attempt to do so, they have resulted in the centralization of governmental power and the destruction of liberties of all Americans.

Mr. HILL. That is correct.

Mr. ERVIN. I should like to direct the attention of the Senator to the Civil Rights Act of 1964, and especially to title 6, which authorizes the executive branch of the Federal Government to use billions of dollars of tax moneys to either bribe or browbeat certain local officials into accepting the views of Federal bureaucrats.

Mr. HILL. Yes.

Mr. ERVIN. Did not that title of the Civil Rights Act in effect make each agency of the Federal Government administering a Federal program a law-maker?

Mr. HILL. It did.

Mr. ERVIN. In the sense that they had the right to write regulations?

Mr. HILL. It gave them that power.

Mr. ERVIN. In addition to making them lawmakers, the act gave them investigatory power to investigate violations of the regulations they made?

Mr. HILL. That is correct.

Mr. ERVIN. It also gave them power to prosecute in the sense that they could prefer charges for violations of their regulations and also act as judge, jury, and executioner?

Mr. HILL. That is correct.

Mr. ERVIN. Does not the Senator from Alabama recall that James Madison stated, in substance, on one occasion that the concentration of all power of government, legislative, executive, and judicial, in the same hands constituted the essence of tyranny?

Mr. HILL. That is right; and when he wrote the Constitution, above everything else he was seeking to avoid that very thing.

Mr. ERVIN. Does not the Senator from Alabama agree with the Senator from North Carolina that the right of trial by jury is one of the great beneficiaries not only of justice but also of liberty?

Mr. HILL. That is correct. I have often read the speech made in the case of *Ex parte Milligan*, with which the Senator is familiar, I am sure, on the right of trial by jury. One cannot read that speech without realizing what that right means and knowing what a tremendously precious right it is under a democratic system of free government.

Mr. ERVIN. I ask the distinguished Senator from Alabama if the recent acts which have been passed in recent years—

Mr. HILL. Let me add to my previous statement that that speech was made by Jeremiah Black in *Ex parte Milligan*.

Mr. ERVIN. Who was one of the greatest American lawyers.

Mr. HILL. That is right. That speech proclaimed so magnificently and wonderfully what the Senator has been saying. He described in that great speech how the Constitution became a written document. He said the men drew on all the great documents of English law, such as *Magna Carta*, the Bill of Rights, the Petition of Rights, and the principles of common law, and whatever they found there, to secure liberty and give the people of the nation security against governmental tyranny they incorporated in our Constitution.

Mr. ERVIN. I would like to ask the

Senator from Alabama whether in America anyone, whether he wears black judicial robes or occupies any other official position, who prostitutes the words of the Constitution, including the words of the 14th amendment, is not paving the way for tyranny in this land of ours.

Mr. HILL. That is exactly correct. That is exactly what Patrick Henry, George Mason, and Benjamin Franklin, from whom I quoted earlier, were seeking to warn us against—the concentration of power in the hands of the Federal Government.

Mr. ERVIN. And was not one of the prime purposes of the Constitution to see that we have a government of laws rather than a government of men?

Mr. HILL. That is right.

Mr. ERVIN. When the power to write regulations and the power to exercise, according to their own discretion, investigatory power, prosecution power, and judicial power, is given to Federal agencies, are we not destroying the very purpose of the Constitution?

Mr. HILL. We are, indeed. We are going directly contrary to the intent and purport of the Constitution.

Mr. President, may I remind you that Patrick Henry, George Mason, and Benjamin Franklin warned us of this "centralization of power in the hands of the Federal Government." George Mason said that a centralized, consolidated government "is totally subversive of every principle which has hitherto governed us."

To continue with Senator Voorhees' words:

Sir, these laws are not the offspring of that great instrument which has descended to us with ever-increasing strength and glory from the days of our Revolutionary ancestors. They emanate rather from that malignant spirit of political oppression and tyranny which preceded the French Revolution, and caused its fires at last to break forth, which filled the prisons of France with victims arrested on secret orders, and made every citizen tremble as one who fears a blow in the dark. They emanate from that spirit which ruled over Venice, when a whisper or a look of suspicion was more to be dreaded than the blow of a dagger, and when the silent and voiceless accusation doomed its object to walk the Bridge of Sighs into the caverns of a ruthless and lingering death. In English history there never was a period in which they could have been executed. Charles I lost his head. James II his throne, and George III his American colonies in attempting far less encroachments on the liberties of Englishmen than these laws perpetrate on the liberties of Americans. Dionysius, the tyrant of Syracuse, suspended a sword by a single hair over the heads of his guests at a banquet, and enjoyed their terror. The party but yesterday in power in this chamber has suspended over the heads of the American people and put into operation in their midst enactments far deadlier than the sword; for, without the unassailable safeguards of personal liberty, life itself is of no value.

Then he declared:

We are in the very vortex of the whirlpool wherein every local privilege, every right of citizenship, all the sanctuaries of home, and of the ship of state itself are being drawn down and dashed to pieces, and yet the cry that all is well, uttered by false pilots, lulls us into a sense of security and repose. I call upon my countrymen to awaken, for the hour of mortal peril to their institutions is here. * * * I invoke against them (these

laws) the memories of the mighty dead who fell for independence; who enriched the soil of Massachusetts with their blood at Lexington, Concord, and Bunker Hill; who struggled with Washington at Brandywine, and charged under his eye at Princeton, Trenton, and Monmouth; who tasted death at Camden, the Cowpens, and Eutaw Springs, in order that we might be free; who yielded up their brave spirits on the plains of Yorktown in the precious hour of final victory. By these great souls, by their privations, sorrows, anguish, and pain, I implore the American people not to forget the value of those liberties which are now trampled under foot with every circumstance of scorn and contempt.

He added:

There are fifteen sections in this title, and they embrace the assertion and enforcement of every right and privilege known to American citizenship. They were prepared and enacted for the purpose of placing the negro on an exact equality in every particular with the white man before the law, and they consequently cover as much ground as the constitution itself.

Mr. ERVIN. Mr. President, will the Senator yield?

Mr. HILL. I yield.

Mr. ERVIN. I ask the Senator from Alabama, On what theory is it worse to use violence to deny a Negro his constitutional rights than it is to use violence to deny a white man his constitutional rights? The bill is based on that theory, is it not?

Mr. HILL. On that theory.

Mr. ERVIN. Why is not a constitutional right of any man just as precious as a constitutional right of every other man?

Mr. HILL. Our Government is founded on that very principle.

Mr. ERVIN. If the constitutional rights of one man of one race are to be protected, then are not the constitutional rights of all other men, of every race, to be protected?

Mr. HILL. Of all other men.

Mr. ERVIN. I invite the Senator's attention to the following statement in the minority views on that point:

If it is to work for any, the machinery of Federal justice should work for all. The premise of our Constitution is equal justice under law. Just as it is unconstitutional to legislate against particular individuals or groups, so the mantle of Federal protection should not be spread over one group of citizens who are injured or threatened in the exercise of their Federal rights, and not over all others. Our forefathers fled the tyrannies of governments based on special rights for special citizens. They knew the dangers of legislation which serves only the few, and it was for this reason they determined that in America all men should stand equal before the law. They meant that this principle should be respected by all three branches—by Congress as well as by the executive and the judicial branches of government.

Mr. HILL. That is certainly true.

Mr. ERVIN. And is not this administration bill totally repugnant to that principle?

Mr. HILL. To this principle.

Mr. ERVIN. Yes.

Mr. HILL. I continue to quote from the statement of Senator Voorhees of Indiana:

For instance, the first section of this title provides for the right to make and enforce contracts, to sue, be parties, and give evidence; and the second section provides for

the right to inherit, purchase, lease, sell, hold, and convey real and personal property. * * * The third section of this title relates to actions at law and suits in equity for damages by such as deem themselves deprived of any rights, privileges, or immunities secured by the constitution and laws. The fourth section treats of conspiracies—first, to intimidate persons from accepting and holding office; second, to deter witnesses from testifying in any United States court to influence grand or petit jurors, or in any manner to impede or defeat the due course of justice; and third, to deprive any class of persons of the equal protection of the laws, or to prevent any one from voting for the candidate of his choice. The section concludes by giving a right of civil suit for damages to any one conceiving himself aggrieved under its provisions.

Senator Voorhees continued:

I will not stop to say this is monstrous. That will be the universal verdict. I will not pause to denounce such laws as wholly infamous, for that will be the judgment not only of the American people but of all the civilized nations of the world. Simply to call up and exhibit such a horrible death's head as this in the laws of a commonwealth pretending to be free is enough to excite the jeers, the hisses, and the execrations of every lover of liberty on the habitable globe. * * *

Senator Voorhees then turned his attention to what is now section 1992 of title 42 of the Code which allows the President to order the judge and other officials of any district court to a particular place and for a particular time for the purpose of the more speedy trial of persons charged with civil rights offenses. He said:

In the old and darker days of English jurisprudence we read of juries in a state of disagreement being carted through the circuit from one point to another until coerced into finding a verdict, but I think this is the first instance in civilized history where the court itself, with all its officers, was compelled to travel, to stop and to open for business at the discretion and the command of executive authority. The President perhaps a candidate for re-election.

That has a somewhat familiar sound today, does not the Senator from North Carolina agree?

Mr. ERVIN. Well, at this hour, when the world is almost on fire, when the deficit in our balance of international payments is so threatening, and when our national financial house is in such disarray and disorder, it does seem to me some things ought to have priority over what the Senate is doing now.

I cannot understand why the administration would advocate a bill which can only give the impression to one segment of our citizens that it is willing to make them the special favorites of the laws and give them protection in the Federal criminal courts which it is unwilling to give to all other citizens. I do not know what prompts the administration to take such a course of action as that. While the bill is obviously racially motivated, I think perhaps in its origin it may have some political motivation as well.

Mr. HILL. Senator Voorhees went on to say:

The President, perhaps a candidate for re-election, has only to pretend to believe that offenses are likely to be committed and he can at once send the courts where he pleases, to remain as long as he orders, intimidating and overawing the inhabitants of any

county, parish, or town that is politically opposed to him. The judges of the circuit and district courts of the United States are reduced to a state of itinerancy for political purposes whenever any administration from motives of party success shall order them to move on. * * * This conjunction of all the great powers of this government in the hands of the executive is not accidental nor the result of thoughtless action. It is the climax of a premeditated system for the complete withdrawal of all powers from the people and the states and for their centralization in the executive department. It is the logical conclusion of a well-wrought plan, perfect in all its details, for a revolution and ultimate monarchy. There was a party, when our constitution was formed, in favor of what they styled a higher-toned government; that is to say, a government further removed from the sovereign will of the common people. The idea of such a government was embraced in the draught of a constitution to the convention of 1787 by the great leader of the federalists providing for a hereditary monarchy and corresponding departments of government. There is a far larger party today in this country in favor of the principles then enunciated than there was at that time, and the laws are now in force to put them at once into active operation.

Earlier in the debate there had been some argument that these laws were not to be dreaded because they had not been enforced except against the South. Senator Voorhees disposed of that in this prophecy:

Notwithstanding the derision of the Senator from Maine, all history attests the danger of leaving instruments of usurpation and oppression ready for the use of those entrusted with executive authority. The usurper will come at last. The hour of his advent is inevitable. The temptations of supreme and arbitrary power have never yet failed to develop a Caesar, a Cromwell, or a Napoleon, whenever the people have relaxed their vigilance and suffered their laws to pave the way toward despotism.

Later he went on:

And what cause is to be assigned for all these violent departures from the original principles and purposes of this government? Who will stand forth and justify them, and say why the very elements of civil liberty must now be destroyed in our midst? Is this massive structure of despotism, created by the laws I have pointed out, made necessary by the results of the war which ended fourteen years ago; and must it be upheld for the government of the southern states? If so, then indeed has the North paid a dearer price than has ever yet been estimated for the preservation of the Union. Time repairs the loss of treasure and assuages a nation's grief for her gallant dead, but for the loss of liberty there is no compensation, and after it there comes no resurrection. The conquest of the South at the expense of free elections and upright courts would be a most dismal and barren victory, receding with curses on this and all succeeding generations. What shall it profit the American people if they gain the whole earth and lose their own liberties?

Senator Voorhees spoke these words nearly 90 years ago. They sum up the case, not for the people of the South, but for the people of the Nation. And, remember these are not the words and remarks of a southerner, but the words of a Member of the Senate from the Hoosier State of Indiana.

Mr. President, the very essence of H.R. 2516 is a threat to any form of democracy. In the name of preventing interference with civil rights, it would sub-

vert the written Constitution and take from the American people and the individual States rights and powers reserved to them by the Constitution, to centralize in the hands of a Federal Government, Thomas Jefferson, whose mind and wisdom contributed so mightily to the course and destiny of this Nation a century and a half ago, declared:

The way to have good and safe government is not to trust it all to one, but to divide it among the many, distributing to every one exactly the functions he is competent to. Let the national government be entrusted with the defense of the nation, and its foreign and federal relations; the state governments with the civil rights, laws, police, and administration of what concerns the state generally. . . . What has destroyed liberty and the rights of man in every government which has ever existed under the sun? The generalizing and concentrating all cares and powers into one body. . . .

The generalizing and concentrating all cares and powers into one body, Mr. President—the sum and total of H.R. 2615.

Let us take note and lesson. Let us not, in this year of our Lord, 1968, knowingly make prophetic the fears expressed by the wise old Benjamin Franklin nearly 180 years ago when he told the people of this young Nation, after it adopted its Constitution, that they had gained a free and independent nation, but he doubted if they had the wisdom and ability to keep it.

Mr. President, I am glad to have present in the Chamber the distinguished Senator from Nebraska [Mr. HRUSKA] who joined with the distinguished Senator from North Carolina [Mr. ERVIN], the distinguished minority leader, the Senator from Illinois [Mr. DIRKSEN], and the distinguished Senator from Florida [Mr. SMATHERS] in the minority views on the pending legislation.

AN AMERICAN GENERAL ANALYZES THE VIETNAM WAR

Mr. BYRD of West Virginia, Mr. President, despite the massive coverage of Vietnam by the American news media, there exists in the minds of many people a great deal of confusion about the progress we are making toward our objectives there. This is perhaps a natural consequence of the unique character of that conflict.

Despite the use of naval and air power and large Army units, Vietnam remains basically a guerrilla war. There is no front in the classic sense where victories and defeats are easily measured. Despite this fact, however, in the past 2 years there has been increasing demonstrable evidence that we are defeating the Communists militarily. And, while the war goes on, we are engaged at the same time in helping South Vietnam to build itself politically, economically, and socially—a complex and painstaking process which rarely commands headlines. In this we have also seen some notable advances including the development of a constitutional, elected government in Saigon.

An excellent analysis of this progress appears in the February issue of Air Force magazine under the byline of Brig. Gen. Robert N. Ginsburgh, of the U.S.

Air Force, a member of the Office of the Chairman of the Joint Chiefs of Staff.

In his article, General Ginsburgh measures the trend of our progress against five key factors: military effectiveness, population alignment, political viability, the impact of bombing North Vietnam, and Hanoi's view of the United States' will to persist.

In the first four of these factors, the author finds the trends to be in our favor. But he finds that Hanoi continues to believe that we will not persevere in Vietnam.

General Ginsburgh suggests that greater public understanding of our steady progress would lead to greater public support—and thus help shorten the war by ridding Hanoi of the mistaken belief that we will eventually tire of the war and abandon our objectives.

Mr. President, I ask unanimous consent that General Ginsburgh's article be inserted in the CONGRESSIONAL RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE TIDES OF WAR

(By Brig. Gen. Robert N. Ginsburgh, USAF)

The war in Vietnam is undoubtedly the most fully reported and probably the least understood war in American history.

The main obstacle to understanding is the lack of a front line. Not since the days of the Philippine insurrection in the early 1900s has the US public been faced with such an obstacle to understanding. The Philippine insurrection was probably the second most unpopular war in our history.

At the very beginning of this war in Vietnam, the lack of a front line obscured the fact that this was a case of aggression by the North Vietnamese against their neighbors to the South. From the Communist point of view, a major advantage of a war of national liberation is that it clothes aggression with a cloak of ambiguity. There are still many people today who refuse to accept this fact—who persist in describing the war in Vietnam as a civil war or an internal revolution. This is not to say that there are not significant numbers of native-born South Vietnamese who have taken up arms against the Government of South Vietnam. This particular technique of aggression from within could not have begun had there not been disaffected elements within South Vietnam. It has long been clear, however, that these elements within the South have been organized, directed, supplied, and reinforced by men from the North. As the war has proceeded, North Vietnamese involvement has become greater and more obvious. Today, more than half of the Communist main and local forces are manned by North Vietnamese.

The lack of a front line is, of course, not the only obstacle to understanding. The most vocal critics of US policy in Vietnam have been those who have felt that the United States has no vital interest at stake in Vietnam, that we should never have committed the US to Vietnam's defense in the first place and that the sooner we get out the better. At least some of these critics recognize this war for what it is, but they feel it is not in the US interest to combat Communist aggression—especially in Asia. To them the lack of a front line makes no difference.

Yet there is a large segment of the American public for which a front line—or an understandable substitute—does make a difference. There are many Americans who don't believe we should have become involved (or were unsure about it), but since we are involved, think that we should carry through with our commitment—if it is feasible and if it can be accomplished without excessive cost. There are many others who originally

supported or acquiesced in US intervention but who are becoming frustrated by lack of visible progress, despite great US commitments of men, materiel, and money.

It is not an easy job to construct a substitute for a front line. There is no one simple indicator. We have to resort to statistical indicators. At best, statistics are difficult to understand. They are subject to abuse and misuse. They are subject to many different interpretations. Because of their magnitude, they are not easily amenable to the responsible, independent checks that we expect from the American press. Some statistics must remain classified because their publication would give aid to the enemy—and by the enemy I do not mean critics of Administration policy. Finally, any set of statistics about Vietnam must be looked at with some suspicion because of the inadequacy and inaccuracies of the basic data.

Nonetheless, the task must be undertaken. With all their shortcomings, statistical indicators—if viewed in perspective—are better than nothing.

There is an infinite variety to the indicators which could be used to shed light on the war.

As a point of departure, I suggest five key variables as an index of the trend of the war. There are many other variables which may be significant, but any listing of the key factors ought, at a minimum, to include these factors: military effectiveness, population alignment in South Vietnam, political viability of the Government of South Vietnam, the impact of bombing North Vietnam, and Hanoi's view of the US will to persist.

COMPARATIVE MILITARY EFFECTIVENESS

In evaluating comparative military effectiveness—lacking a front line—indicators such as the following are relevant: enemy strengths, loss ratios, enemy desertions, friendly desertions, and enemy initiative. What do these indicators show?

Combat strength of the North Vietnamese and Viet Cong main and local forces increased in a straight line projection to about 126,000 in the summer of 1966. In late summer, this strength peaked, decreased, and is now about 118,000. The strength of Viet Cong units appears to have peaked perhaps six months earlier, but up until the late summer of 1966 North Vietnam infiltration more than made up for declines in Viet Cong strength.

Force levels are, of course, heavily influenced by losses. We find that the enemy losses are considerably greater than those of friendly forces. While this may seem a grisly indicator, nonetheless the ratio of enemy killed in action to friendly killed in action is relevant. This ratio hit a low point in the summer of 1964. At the time of the Tonkin Gulf incident, the South Vietnamese were losing one man for each 1.7 of the enemy. The ratio was almost as low (2 to 1) in February of 1965 when the United States began bombing the North and again in the early summer of 1965 when US ground units began to arrive in force. Other than these two periods, the ratio has trended generally upward until the present, when we are killing between four and five times as many enemy troops as they are killing of our forces.

Another indicator is desertions. On the basis of US experience, desertions from the South Vietnamese forces seem inordinately high. This is true even if we accept the estimate that twenty percent of these deserters eventually return to their units. Nevertheless, there is a bright spot. The trend, at least, is in a favorable direction. In 1965, the South Vietnamese were losing each month between fifteen and twenty out of every thousand troops (or 180 to 240 per year). In early 1966, it was about twenty-three per thousand. Since that time, it has gone generally downward until it is now below ten per month. This is still extremely

high, but it represents a better than sixty percent improvement in eighteen months.

Meanwhile, enemy defection rates have increased by about 170 percent. From a low of less than two per thousand per month at the beginning of 1965, they increased to almost five in the summer of 1967. It should be noted that enemy defection rates cannot be directly compared with South Vietnamese desertion rates. First of all, the South Vietnamese rates include "temporary deserters" who eventually return to their units. Secondly, the enemy defectors are permanently lost to the enemy. Thirdly, the defectors do not include those who desert without turning themselves in to the Government of Vietnam.

It has been variously estimated that total enemy desertions might be from two to four times enemy defections. Thus, it seems likely—but by no means certain—that the enemy desertion rate is at least as high as the South Vietnamese rate and perhaps more than twice as high. In any event, the trend is clear: The South Vietnamese desertion rate has been going down, and the enemy rate has been going up faster.

Weapons losses provide another indicator. From early 1963 until the summer of 1966, the army of South Vietnam consistently lost more weapons to the Communists than it captured from them. In February 1965, the South Vietnamese were losing three times as many weapons as they were capturing. Thus, there was a large measure of truth in the quip that the U.S. was supplying both sides with weapons. Despite setbacks from time to time, the general trend has been upward since February 1965. Since the summer of 1966, the South Vietnamese have never lost more weapons in a month than they have captured. At present, they are capturing 4.6 weapons for each one they lose.

All of these indicators suggest that the military trends are running against the Communist forces. Yet, it is obvious that they are far from defeat. They still retain an effective military capability. In fact, in some respects they still have the initiative. For example, since the late summer of 1965, there has been a generally upward trend in the number of attacks that the North Vietnamese and Viet Cong have initiated. This indicator reached its highest point last summer, when the Communists were averaging more than five times as many attacks as they were in mid-1965.

The nature of these attacks has changed, however. Although the total is up, the number of large-scale attacks is down considerably. Attacks of battalion size or larger reached a peak in the fall of 1965. After the Communists were severely beaten in the Plei Me-ja Drang battle, there was a sharp drop in their large-scale initiatives. Late in 1966, the Communists began a new round, and the number of large-scale attacks sharply increased through the spring of 1967. The number never reached its previous peak, however, and since then there has been a slackening in their initiative. This trend, of course, does not tell the whole story because recent months have seen some of the bitterest fighting of the war in the border areas of the Demilitarized Zone, Laos, and Cambodia.

It can reasonably be argued that all of these indicators have serious weaknesses. There is no question that much of the basic data is very shaky. The significant point, however, is that they show a direction of movement. Even if they ought to be much higher or lower, they do show a valid trend. And that trend is in a generally favorable direction.

POPULATION ALIGNMENT

More important than any indices of comparative military effectiveness is the result. To get an idea of the result of our operations, changes in the alignment of the population of South Vietnam are relevant.

The alignment of the population is what

the war is all about. Yet, this is an especially difficult variable to measure because of the inaccuracy of the basic population data and the difficulty of defining and measuring alignment. Despite the basic shortcomings of the data, certain broad trends are clearly discernible.

In mid-1965, there were at most some 7.7 million people—no more than forty-seven percent of the population—living in areas under the government's protection. Some 3.7 million—about twenty-two percent—were living in Viet Cong-dominated areas. By the end of September 1967, about sixty-seven percent of the population was under the protection of the Government of Vietnam, and about seventeen percent under the Viet Cong. Thus, the percentage of people afforded protection from Viet Cong terrorism has risen by almost one-half, and the percentage under Communist domination was reduced by more than one-fourth.

During this period, the contested (or in terms of a Gallup poll "undecided") changed from thirty-one percent to sixteen percent. The contested percentage is sufficiently high to be a significant factor. In mid-1965, if the "contested" had swung to the VC, they would have held a majority of fifty-three versus forty-seven. Today, however, the contested population is not sufficiently great to provide a "swing vote" to the Viet Cong, even if they were really 100 percent aligned with the Communists.

It must be remembered, of course, that protection and control are relative terms. Government protection has not been able to prevent major acts of terrorism in the hearts of the cities. Neither have we in the U.S. been able to eliminate lawlessness in our cities or prevent major riots.

From captured documents we get independent, though scattered, data which confirm both the trend and general order of magnitude. One Viet Cong document, dated in early 1966, complained about the loss of one million people from the rural areas of government controlled urban areas. Another document, dated in late 1966, noted that 400,000 people had been added to government control in one area. A third document acknowledged the loss of 180,000 people in one province alone.

In addition, we have the results of three elections in Vietnam in the past two years—a fantastic wartime feat in itself. In May 1965, out of 4.2 million registered voters, 3.8 million voted in the municipal and provincial elections. In September 1966, out of 5.2 million registered, 4.3 million voted in the Constituent Assembly elections. In September 1967, of 5.8 million registered, 4.8 voted in the presidential and upper house elections.

If these statistics are compared with the total adult population of South Vietnam, the results are strikingly similar to the population control results. In each election, the registrants were slightly above the population control percentages while the actual voters were slightly below.

What do all these figures mean?

First, even if the beginning and ending percentages are considerably in error, the favorable trend is clearly evident.

Secondly, the reasons for this trend are important. The figures do not mean that four million people have switched their allegiance from the Viet Cong to the government. Some have, because VC control has decreased. Many more people have simply left their villages in contested areas in order to move to government-protected areas where they could be safe. Many others have left contested areas or poverty pockets to move to the cities and larger towns where they could find jobs.

Thirdly, whatever the motivation, the numbers are meaningful—especially to the Viet Cong. They mean fewer people to pay VC taxes, raise food for them, and man their army. We have convincing, confirming data

from the Viet Cong themselves—via captured soldiers and documents—that they are feeling the pinch. Every month from province after province we hear that their major problems are manpower, money, food, and morale.

POLITICAL VIABILITY OF THE GOVERNMENT

Over the long haul, it is not population control per se that is the crucial factor but the political viability of the government itself and its ability to satisfy the aspirations of the people.

Because of the crucial importance of this factor, it is rightfully the one which should give us the greatest concern. Vietnam's recent history of coups, countercoups, and short-lived governments demonstrate that there is ample cause for concern. On the other hand, the Vietnamese political achievements in the last two years have been considerable. They have held provincial and municipal elections. They have elected a Constituent Assembly which, in turn, created a Constitution. And they have freely elected a President and national legislature in accordance with that Constitution.

This is a considerable achievement in less than two years. It is even more remarkable that it was achieved while there was a major war in progress threatening the very survival of the nation. It is a feat that many politically more sophisticated countries with less history of political instability can envy.

The final returns, of course, are not in. The most difficult tests are probably still ahead of the new government.

One of the major tests is the Revolutionary Development (RD) program. Progress in this program has been considerably less than we and the Vietnamese might have desired.

Far more resources are now being devoted to this program. A growing proportion of the Vietnamese armed forces is being redirected to provide the security which is indispensable to the program's success. The number of RD teams is increasing dramatically. The RD budget has been substantially increased. A variety of new techniques are being explored to speed progress.

In sum, for all its imperfections, the Revolutionary Development program is better than anything we have had in the past, and some progress is evident.

THE BOMBING OF NORTH VIETNAM

Probably the most controversial indicator is the impact of the bombing of North Vietnam.

The primary basis for this controversy stems from the use of two separate arguments which are rarely coherently related to each other.

On the one hand, it is obvious that we have not and probably cannot reduce North Vietnam's capacity so they can't move men and supplies into the South. On the other hand, it is obvious that North Vietnam has suffered severely under the impact of the bombing.

To relate these two points of view, it is essential to realize that it was never anticipated that the bombing would be able to halt the flow of men and supplies to the South.

As President Johnson pointed out in his speech to the Tennessee Legislature on March 15, 1967, there are:

Three purposes in selective bombing of military targets in North Vietnam:

(1) To back our fighting men by denying the enemy a sanctuary.

(2) To exact a penalty against North Vietnam for her flagrant violations of the Geneva accords of 1954 and 1962.

(3) To limit the flow or to substantially increase the cost of infiltration of men and materiel from North Vietnam.

The air campaign was only one of the interrelated elements of the over-all allied strategy designed to achieve US national ob-

jectives in Vietnam. Other elements are actions against the enemy's main force units in the South, pacification, security, revolutionary development, and political and economic development.

All of these interrelated elements were designed to achieve one simple goal. As President Johnson stated in April 1966: "Our objective is the independence of South Vietnam and its freedom from attack. . . . We will do everything necessary to reach that objective, and we will do only what is necessary."

We have not yet achieved that over-all objective, but the air campaign is achieving its limited purposes in contributing to the over-all goal.

The bombing has denied North Vietnam a sanctuary.

The bombing is exacting a heavy penalty against North Vietnam for continuing the war. Currently out of operation are eighty percent of its central electric power-generating capacity, the only modern cement plant, the only metallurgical plant, and the only explosives plant. Production of coal and apatite (previously exported in quantity), fertilizer, chemicals, and paper have been drastically reduced.

As a consequence, there has been a radical increase in North Vietnam's requirements for foreign aid in order to sustain her war effort and her economy at minimum levels. Imports are up from 2,100 metric tons a day in 1965 to 4,300 in 1967.

Bombing has also required a diversion of up to 600,000 workers to defend against and counter the effects of bombing. It has caused the damage or destruction of about 5,000 freight cars, 8,000 trucks, and 19,000 watercraft.

Bombing has substantially increased Hanoi's direct cost of supporting the war in the South. To get one man or one ton into South Vietnam, they must now put many more into their end of the pipeline.

We cannot really measure how successful we have been in squeezing their infiltration pipeline. We simply don't know what they would have done if we had not bombed North Vietnam. We can reasonably argue that General Giap ought to be trying desperately to send more men and supplies to the South in order to achieve Hanoi's stated objectives. But we do not know this for a fact. We do not really know whether Hanoi considers their present level of effort in the South the optimum or whether it is the best that they are able—or willing—to mount in the face of the bombing.

This much we do know.

The Communists have successively reduced their military objectives.

In the summer offensive of 1965, they hoped to cut South Vietnam in two. By the summer of 1966, they lowered their sights to merely try to seize the northernmost province of South Vietnam. They sought to take full advantage of the shorter supply routes directly across the Demilitarized Zone. In 1967, they have sought no major victories—simply war prolongation by virtue of a peripheral strategy.

Major-scale operations within South Vietnam have been reduced while the Communists have sought to engage our forces on the borders where theoretically they ought to gain full advantage of shorter supply lines and sanctuaries. This explains the heavy fighting near the DMZ in the summer of 1967 and more recently at Loc Ninh and Dak To along the Cambodian and Laotian borders.

The heavy fighting, however, ought not to obscure the facts that they have not achieved their sought-for miniature Dien Bien Phu; although they have slowed, they have not stopped progress in revolutionary development; and it has been very costly for them.

We simply cannot predict what more the North Vietnamese would do if we stopped

the bombing. Nevertheless, we can say that if we stop the bombing:

Their costs of infiltration would go down and our casualties would go up.

They would have more resources available to increase their support in the South or to make life easier in the North, or both.

It would be a lot easier for them to "sweat out the war."

THE UNITED STATES WILL TO RESIST

"Sweating out the war" depends, of course, on factors other than the bombing of North Vietnam. It is related to the tide of battle in the South and to the allied will to persist—especially Hanoi's view of the will to persist.

Hanoi has adopted the Napoleonic maxim that the morale factor is to the materiel as two to one. In the Indochinese War they turned this maxim against the descendants of Napoleon to bring about their independence from the French. No one recognizes more clearly than the North Vietnamese that they did not defeat the French militarily. The battle of Dien Bien Phu was not a disastrous military reverse for the French, but it was the trigger for a basic change in French policy.

It is clear that Hanoi expects history to repeat itself.

They have adopted our cliché that this is a war for men's hearts and minds. They have put great effort into diplomatic and propaganda campaigns not only to win hearts and minds of South Vietnam but also the American public.

They constantly argue that Americans, like the French, do not have the necessary staying power.

They constantly probe for a Dien Bien Phu engagement which would trigger a change in U.S. policy.

Undoubtedly, they find it difficult to measure the progress of their war on our home front. They must see as favorable indicators increased American frustration, scattered immolations, draft-card burning, violent and nonviolent protests, the siege of the Pentagon, and decreased public support for the war and for the Administration's conduct of the war.

In the fall of 1967, they could not help but gain comfort from Gallup polls which indicated that forty-six percent of Americans felt that the war was a mistake or Harris polls noting that sixty-nine percent were opposed to the way the war was being handled.

On the other hand, they would do well to note from these polls that only thirty-seven percent wanted to get out of Vietnam as fast as possible. During the Korean War, the figure was as high as sixty-six percent—yet the U.S. persisted and eventually achieved its stated objectives.

More recently, however, the Communists undoubtedly noted that the citizens of San Francisco supported the war by the vote of two to one, while voters in Cambridge expressed their support of the war by three to two.

Nevertheless, on balance, Hanoi must have concluded that although they have not yet won they have a reasonable prospect of winning the battle for American public opinion.

Thus, Gen. Earle G. Wheeler, Chairman of the Joint Chiefs of Staff, has stated: "The single most important factor in prolonging the war is Hanoi's calculation that there is a reasonable possibility of a change in U.S. policy before the ultimate collapse of the Viet Cong manpower base and infrastructure. In a very real sense, the major campaign of the war has been and is being fought here in the United States."

With all of the other indicators going against them, the Communists are trying to buy time to see what U.S. politics might yield.

This year, the purchase price has been extremely costly for them, but all the indica-

tors continue inexorably to move against them—except U.S. public opinion. (Ironically, American protesters are prolonging what they claim to be trying to end.)

If more Americans were, in fact, aware of the steady but slow progress of the war fronts in Vietnam, many of them would be less frustrated. Less frustration hopefully might lead to greater public support and, in turn, the shortening of the war.—END

DREW PEARSON SPEAKS TO BECKLEY CHAMBER OF COMMERCE

Mr. BYRD of West Virginia. Mr. President, an interesting and revealing word picture of one of Washington's best-known columnists, Drew Pearson, appeared in the Beckley, W. Va., Post-Herald on January 25.

The article was written by Emile J. Hodel, editor of the paper, who served as host for Mr. Pearson when he went to Beckley, the county seat of my home county, last week to speak at the annual banquet of the chamber of commerce.

As Mr. Hodel points out, Mr. Pearson has indeed had considerable influence on our Government. He is a highly controversial writer, and few of us would agree with him all of the time. But I think it should be said that in many instances his column has had a salutary effect on the Congress and the Federal establishment in general.

I ask unanimous consent that the column from the Beckley Post-Herald be included in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

DREW PEARSON HAS CHARM, GENTILITY (By Emile J. Hodel)

Tuesday was something of a hectic day for us. It was quite enjoyable to say the least, but rather hectic, nevertheless.

We spent most of our day in the company of an exceedingly interested, well-educated, and knowledgeable man who can handle himself as well as anyone we know. We are speaking of Drew Pearson, of course.

Our involvement began some time ago when Blaine Wright and Bob Hamilton asked us if we might help them get a really good speaker for the annual chamber banquet. We went to work on it and got a couple of people lined up as potential speakers. The chamber board members decided to take up Pearson on his kind offer.

Then, we were named to host the famous columnist.

Among other things we learned that he normally prefers milk for drinking. One of his assistants told us, "When pressed, he will occasionally have one martini. But he really prefers milk." And milk was what he was offered—and had—at our house.

He does not smoke and his language is never vulgar nor lacking in gentlemanly respectability. He has a beautiful vocabulary and uses it well. He may even lead you up to a vulgarity or a curse word in quoting a president or senator, but he lets you know what it was without repeating someone else's bad language.

This undoubtedly comes from both his good education and his Quaker religious background.

When he learned that the writer was a Unitarian and that we have a small fellowship here in Beckley, he expressed pleasure and indicated that we were pretty closely related in religion—cousins or brothers, or something.

The part that made the day hectic for us was that the famous columnist's plane was

50 minutes late in arriving from Washington at Kanawha Airport. We had begun to worry that something might have happened to the plane.

Then it took Kanawha Airport 20 minutes to get his one light bag off the flight and to the baggage counter.

The light snowfall did not bother us at all until we were within a few miles of the Beckley exit, but we had to creep along the city's streets considerably.

Both Pearson and the writer had to change clothes before heading for the fieldhouse. But the delay at Charleston made us a few minutes late in reaching the banquet and, regrettably, we both missed the C. & O. Railway's reception before the banquet completely.

However, he did avail himself of the railway's facilities by returning to Washington on the train, catching a sleeper at Prince at 12:27 a.m. yesterday morning. The train was only 15 minutes late.

After the banquet and a brief press conference at the Armory, adjacent to the fieldhouse, when we started back to Maxwell Hill Road, he asked if, since there were nearly two and a half hours before his train's time, he might catch a brief nap. He had been up and about his affairs since 6 a.m. Tuesday, we learned.

He had his nap on our younger son Alan's bed. And now Alan claims it will cost his friends to lie upon it. This would seem to be a junior version of "George Washington slept here."

Though we do not always agree with Pearson, we have great respect for his abilities and his great courage and fortitude. He is a most charming man and has, basically, had a great and mostly good influence on our government.

He told us that he didn't expect anyone to agree with him all the time, adding that he was too controversial for that.

He still operates two farms, one wholly for beef cattle and the other mostly dairy farming. When we first called his office, probably in November, he had just left to get ready for a party honoring his 70th birthday anniversary.

We surely hope we will be as straight and active and able when we reach that age in a few years. From that standpoint, he's just amazing. And, for our money, his speech was one of the best and most interesting we've heard—more so than the first of his we heard at Morgantown back in 1942 or 1943!

Top of the morning!

Mr. BYRD of West Virginia. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADJOURNMENT

Mr. BYRD of West Virginia. Mr. President, if there be no further business to come before the Senate, I move that the Senate stand in adjournment until 12 o'clock meridian, tomorrow.

The motion was agreed to; and (at 5 o'clock and 5 minutes p.m.) the Senate adjourned until tomorrow, Thursday, February 1, 1968, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate January 31, 1968:

IN THE ARMY

Brig. Gen. C. Craig Cannon, U.S. Army, to be a member of the Mississippi River Commission, under the provisions of section 2 of an act of Congress approved 28 June 1879 (21 Stat. 37) (33 U.S.C. 642), vice Brig. Gen. Willard Roper, reassigned.

IN THE AIR FORCE

The following officers for appointment in the Air Force Reserve to the grade indicated, under the provisions of chapter 35 and sections 8373 and 8376 title 10 of the United States Code:

To be major general

Brig. Gen. Frank J. Puerta, FV401051, Air Force Reserve.

To be brigadier generals

Col. John W. Bitner, FV361602, Air Force Reserve.

Col. Charles D. Briggs, Jr., FV797454, Air Force Reserve.

Col. John O. Gray, FV410193, Air Force Reserve.

Col. Campbell Y. Jackson, FV431357, Air Force Reserve.

Col. Justin G. Knowlton, FV664321, Air Force Reserve.

Col. Homer I. Lewis, FV400799, Air Force Reserve.

Col. Theodore C. Marrs, FV2261128, Air Force Reserve.

Col. Henry J. McNulty, FV549989, Air Force Reserve.

Col. Wendell B. Sell, FV4067313, Air Force Reserve.

Col. Farmer S. Smith, FV863256, Air Force Reserve.

The following officers for appointment as Reserve commissioned officers in the U.S. Air Force to the grade indicated, under the provisions of sections 8218, 8351, 8363, and 8392, title 10 of the United States Code:

To be major general

Brig. Gen. John P. Gifford, FG494201, Tennessee Air National Guard.

To be brigadier generals

Col. Nevin W. Dodd, FG3041219, Oklahoma Air National Guard.

Col. William R. McCall, Jr., FG756295, District of Columbia Air National Guard.

Col. Robert McMath, FG825933, Michigan Air National Guard.

Col. George M. McWilliams, FG2067864, Mississippi Air National Guard.

Col. Leon A. Moore, Jr., FG823665, Florida Air National Guard.

Col. Richard B. Posey, FG430845, Pennsylvania Air National Guard.

Col. John J. Stefanik, FG430864, Massachusetts Air National Guard.

Col. Kenneth M. Taylor, FG409061, Alaska Air National Guard.

Col. Charles S. Thompson, Jr., FG429541, Georgia Air National Guard.

IN THE NAVY

The following-named naval reserve officers for temporary promotion to the grade of rear admiral in the line and staff corps as indicated, subject to qualification therefor as provided by law:

LINE

Lee E. Bains
Gayle T. Martin

MEDICAL CORPS

Allan D. Callow

SUPPLY CORPS

Frank E. Raab, Jr.

CIVIL ENGINEER CORPS

George Reider

IN THE MARINE CORPS

The following-named officer of the Marine Corps Reserve for temporary appointment to the grade of brigadier general:
Harold L. Oppenheimer